

# THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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## NOTES OF THE WEEK.

### The Mechanising of Offices.

The National Institute of Industrial Psychology announces a National Conference at Park Lane Hotel, on May 19, to discuss: "The value and application of office machinery" (morning session) and: "The human factor in its relation to office machinery" (afternoon session). Viscount D'Abernon will take the Chair at the luncheon, and Sir Joseph Burn and Sir John Mann will preside respectively at the sessions. The speakers will include Sir Herbert Austin, Sir Francis Goodenough, Mr. C. H. Tucker (Imperial Tobacco Co.), and Dr. L. J. Comrie (Royal Naval College).

In the Institute's circular announcing the Conference the following statement appears:—

"The other day Sir Herbert Austin made a forecast of the future development of accountancy in an address at Birmingham. He said that *Company Directors in the future would demand continuous information on the results of work in process. This involved bringing office work as closely into line with modern inventions as manufacturing processes. At Longbridge, it is known first thing every morning what has been the cost of every process in the factory the previous day.*" (Our italics.)

The placing of machines in offices displaces clerks from offices. The "value" of this lies in its saving of clerks' salaries. Thus, a machine costing say £1,000 might have a clerk-displacement "value" equivalent to a salary-saving of £400 a year, and might have a life of ten years; in which case it would "earn" £4,000. Allowing interest at 5 per cent. per annum on the cost for the period, the all-in cost of the machine would be £1,500, leaving a net profit of £2,500 on the transaction. This fund would enable the company not only to replace the original machine with another of two and a half times the clerk-displacement power, but to do so without borrowing from the bank.

If this were done the "value" of the saving would wholly accrue to the bank. No part of the saving would have been distributed to the company's customers (in the form of lower prices) or to its shareholders (in the form of increased dividends) or to its directors (in the form of fees) or to its employees

(in the form of rises in salaries or wages) or to the displaced clerks (in the direct form of pensions, or the indirect form of taxes earmarked for unemployment pay). In short, the saving of this £2,500 does not accrue to any person whatsoever. The mechanising of the office has mechanised the saving effected by the mechanisation. The mechanised saving goes to the bank and is obliterated by a mechanical system of accountancy. Omitting intermediate links in the chain of cause and effect the displacement of the clerks has been an act of deflation at the expense of the community.

This conclusion, of course, proceeds from an arbitrary assumption; but it is valid for our purpose, which is to show that mechanisation can frustrate the object for which it is adopted, even in the case of a particular company. That it must do so when adopted by companies in general ought to be self-evident. As soon as the mechanisation reaches certain dimensions it will pay the makers of mechanising-mechanisms to mechanise the making of mechanising-mechanisms, and this, in turn, will raise the mechanisation of mechanisation to a degree which can in theory produce a situation in which industry will have reduced its personnel to one man, who will then be able to make the boast: "The home market?—it is myself!" This prospect will not disturb pundits who tell us that we live on our export trade, but perhaps the picture of a sole survivor from the ranks of the employed making and exporting several hundred millions of pounds worth of goods in order to earn his keep may strike other people as a curiosity. Yet there is no room for doubt that this is the direction in which mechanisation is driving us. This poor lone fellow would certainly become an agitator—he would demand the issue of the National Dividend if only to keep his pals alive for the sake of their company.

But there is another aspect of mechanisation than the technical. It is indicated (unwittingly) by Sir Herbert Austin's reference to what "Company Directors in the future" would demand—namely, a continuous stream of "stop-press" information. Company Directors "in the future" will be so only in name. In any real sense there will be no Directors at all, but Financial Directorates controlling in-



dustry through paid agents of their own selection. Even to-day there is no business of major dimensions but has on its Board a bankers' "observer." He is there for one purpose only; and that is to make sure that the bank's loans to, and debenture-holdings in, the company are adequately secured. And it is for this person's benefit that mechanisation is primarily being boomed. Naturally he would want the earliest possible warning of anything which began to go wrong with the company's affairs. Hence, mechanisation which would tell him the cost of every process as it took place during the day would be the perfection of efficiency. That will come, no doubt; in the meantime "first thing every morning" will do pretty well to go on with—although it does leave a night in between; and bankers can't sleep in an atmosphere of suspense.

But the promptitude of mechanisation is only half the story. The other half is its accuracy. It collects reliable data and digests it into the form from which the banker can most readily take measure of his own security. Thus it puts an end to the risks which bankers used to run when private Boards of Directors were able, without detection, to lip-stick and powder the faces of their anaemic balance-sheets. For it is clear that when you have a mechanisation-system through which perhaps a hundred-different functionaries are independently transmitting data from the bottom to reach the "observer" at the top uncooked by human ingenuity on the way, and when it is borne in mind that the different sets of data automatically check and countercheck each other in the processes of dissection and combination, the only possible way in which an independent director could deceive the "observer" would be to persuade the hundred functionaries (or a fair number of them) to falsify the data, and to do so on a co-ordinated plan devised to defeat the best of the counter-checking. This would be technically impossible, but even if possible, prudentially unthinkable; for what director would let his secret become the common property of subordinates?

### German Nationalism.

During the week ending last Saturday the attacks on Hitler in the London Press—particularly the Liberal Press—bore a vivid resemblance to the speeches of the prosecution during the trial in Moscow of the British engineers. The London Press called that trial a "frame-up"; and this term will aptly describe their present heated indictments of Hitler. The *News-Chronicle* has constituted itself the third-degree inquisitor and leading counsel for the prosecution. Firstly it gave publicity to a private interview which Dr. Rosenberg was somehow induced to accord to Lady Oxford, and which she described in detail in an article in that paper. Secondly it published an account by its Correspondent Mr. Cummings of the proceedings at Claridge's Hotel when Dr. Rosenberg invited London Press representatives there to receive a statement on the German Government's policy—an account which, if true, is a picture of what we should imagine to be "Ogpu" methods of cross-examination. For Mr. Cummings narrates with gusto how he set up a rapid fire of questions during which, he says, Dr. Rosenberg "retreated" towards the door amidst the loud laughter of the assembled hacks. Since, by his own account, Dr. Rosenberg had brought an interpreter, it would interest us to know whether this direct cross-examination was conducted in German or English. If in German, did the hacks know that language?—for, if not, what made them laugh? If in English, how did Dr. Rosenberg manage to keep up a rapid fire of answers in that tongue without using the services of the interpreter? Whatever the truth, there is little doubt that the ordeal to which Dr. Rosenberg was subjected was calculated to trick him into indiscreet statements which could be exploited

against him and his Government. He was wise to retire—and there is no more significance in his having done so than there would be in any fastidious person's removing himself from the neighbourhood of a bad smell.

Thirdly, the *News-Chronicle* ascended the pulpit to discourse on the incident of Dr. Rosenberg's laying of a wreath at the Cenotaph. A leading article on May 11 contained the following:—

"His wreath had on it no inscription. The omission was wise. For what inscription could Dr. Rosenberg have put upon it? These men gave their lives fighting precisely against all those things for which Dr. Rosenberg and his master ostentatiously stand . . . They died resisting the brutal nationalism which denies to the individual his most elementary rights . . . Might is Right . . . persecution of the weak . . . All these things these men held in contemptuous detestation."

Well, let it be so. But it does not lie in the mouth of an organ of Liberalism to boast about it. For we remember that in the last few days before the British ultimatum to Germany in 1914 the Liberal Press were advocating Britain's keeping out of the war and supplying the belligerents with munitions. We also remember that on the day when the ultimatum was sent there were newspaper stories about editors of Liberal organs being in tears! Ourselves, we feel a less contemptuous detestation of "brutal nationalism" than we do of huckstering internationalism. To reconcile the moral principle of defending Right against Might with the commercial policy of munitioning both impartially is a task which no-one but a Liberal would dream of tackling.

The *News-Chronicle's* peroration is as follows:—

"Between democratic England and Nazi Germany there yawns a gulf of unfathomable miscomprehension which no empty courtesy can bridge."

Nonsense. Dr. Rosenberg was offering a tribute to men who marched to their death at the orders of their rulers. They behaved like nationalists; and Dr. Rosenberg, as representing a nationalistic Government, could logically honour their sacrifice on that account without reference to what they felt about it. "What the soldier said isn't evidence"—and what the soldier thought is irrelevance. As our late democratic Poet Laureate put it: "Their not to reason why: theirs but to do and die"—an admirable Nazi sentiment!

The difference between political democracy and military autocracy is the difference between pocket-picking from behind or watch-snatching from in front; or between being poisoned through one's food without knowing it or being forced to drink poison out of a bottle. The "brutality," as the *News-Chronicle* calls it, lies in the consequence, not in the method. The real issue involved is not one of morality but one of expediency. The brutality takes place in either system, and the question is whether it is wiser to let the victim know how it is done and by whom, or to leave him in ignorance. For example, the German Government has suppressed certain Socialist newspapers because their attitude was hostile. In Australia, when the attitude of the *Melbourne Age* was disapproved by Sir Otto Niemeyer, that paper was not suppressed; it was persuaded to change its tune. Thus was the democratic principle of Free Speech preserved in form while destroyed in fact. It was "brutality" by kindness.

With reference to the methods of coercion used by the German Government two pamphlets, reviewed elsewhere in this issue, describe them with more detail. They are being distributed by the German Relief Committee, a body including, among others, Ellen Wilkinson, Professor H. Levy, H. W. Nevinson, Tom Mann, Fenner Brockway, Ethel Mannin, and Lord Marley (chairman). These people's motives and intentions are good, but we dislike their policy of atrocity-mongering, because, however reliable the evidence as to the nature and dimensions

of the violence, it simply arouses passions which cannot be directed to any useful end, and which, on the other hand, can be, and are likely to be, exploited by financial interests for their own purposes.

The real moral to be drawn from events in Germany and the reactions to them in this country is that all populations are living on the edge of violence, and that it only wants the slightest excuse for violence anywhere to cause resort to it. For example, it is but a short step from demanding the taxing of Co-operative profits to looting Co-operative shops; and supposing a British Dictator should arise and follow Hitler's example of confiscating Co-operative funds and properties his action would certainly not outrage the feelings of private traders. The mischief lies in the fact that while nobody will condone violence as such, there are always people who stand to gain by the policy which it is employed to promote. There can be no change in political policy that does not involve a change in economic policy, and there can be no change in economic policy which does not improve the fortunes of some people, and always at the expense of other people. We are speaking of course on the assumption that the private prerogatives and powers of the Banking Monopoly remain unchanged. No Government can make major changes in political policy that are administratively feasible at short notice without resorting to violence, the form and extent of it depending on the character and number of the victims whose interests are threatened. The reason why Hitlerism is violent is that Hitlerism is attempting to bring about great changes—and in a great hurry. Mussolini did it with castor-oil. The Soviet dictatorship, apart from what it did while establishing itself, has recently found itself obliged to shoot farm labourers for helping themselves to handfuls of wheat. The worst of it is that people generally, in every country, passively encourage these Big-Change plans; for their economic situation is such that nothing but a big change seems to them to hold out any hope of improvement. Not only that, but they have been kept in ignorance of the real source of policy and the real mechanism of governing, which belong to the field of bank-finance, and do not know where to look for the big change but in the field of politics. The majority of politicians, too, amateur or professional, are similarly blindfolded. They cannot conceive a political policy which does not involve economic victimisation. The utmost which the most statesmanlike among them can strive for is to spread the victimisation fairly—or at least sufficiently fairly to keep the various disappointed sections of the community within the bounds of law and order. In this they are assisted by the Money Monopoly, for the strict logic of its policy points towards a situation in which no private individual shall be better off than another, and none shall have the means of living at a higher standard than is requisite for his physical survival. The power of the Money Monopoly reaches its zenith when every citizen in a population lives in daily consciousness of his personal economic insecurity, and is thereby constrained to render abject obedience to the dictates of the Monopoly.

This explains what must seem a strange phenomenon in British newspaper-polemics during the last fortnight. For whereas the Penny Press have been heaping abuse on Hitler and making people's flesh creep with the scare-question: "If these things are happening in Germany to-day, what about Britain to-morrow?" newspapers like *The Times*, which feed the ruling class with hints and arguments out of the sight of the ordinary public, show not the least sign of perturbation at this dread contingency. Simple people who studied *The Times's* comments might almost believe that the interests behind that organ would not be displeased if this country came under a dictatorship. And these simple people

would be right. Listen to the following quotation from *The Times Trade and Engineering Supplement*, dated May 13, p. 193. It is headed: "Herr Hitler's New Economic Policy—Ambitious and Far-Reaching Schemes. Our Weekly Letter from Germany."

"It is of great importance to call attention to one point which appears to have been overlooked in connexion with what is going on in Germany at present. Quite apart from the question whether the nationalist revolution is tantamount to a revival of militarism, and leaving out of account political excesses, a large percentage of the Government's recent actions must be ascribed to its ultimate economic aims. Realising that the country cannot rely on any substantial assistance from abroad, the Government is making a desperate attempt to place the country's finances, industries and commerce on a sound footing again with every means at its disposal. With this end in view it will take drastic action. By cleverly devising methods which appeal to the natural military instinct of the Germans the Government is camouflaging its real object of rousing the country's spirit of patriotism and sacrifice to the maximum in preparation for the great economic sacrifices and hardships which all classes will undoubtedly be called upon to make and endure, for the purpose of saving the country from economic collapse. In the words of the Minister of propaganda and public enlightenment, 'the mentality of the nation is to be brought to a point where it will put up with anything in an almost mystic creed.' (Our italics.)"

In plain English the sense of this passage is:

"It is of great importance to judge Hitler by the technical end he is trying to reach, not by the political methods which he is employing. Hitler the 'murderer' and despoiler of little Jews?—the suppressor of Free Speech?—the 'robber' of Trade Union and Co-operative funds?—the conscriptor of Labour?—the fomentor of the war-spirit?—the snubber of the Disarmament Conference? Yes, yes; but leave all these scares to the Fat Boys of Fleet Street. The immediate and imperative consideration is this: 'Is Hitler pursuing a financial policy approved by the Money Monopoly?' For if he is, any political means which help him achieve his end most quickly are justifiable, however regrettable. The dictates of humanity must not be allowed to frustrate high-financial policy."

The whole argument is summed up in the sentence: "These atrocities are not wrong if they work." And we will add that if they do work, or even seem likely to according to the calculations of the Money Monopoly, Mr. Montagu Norman will safely whistle the British poodle-Press to heel; he will tug the strings of their overdrafts and drag them away, sliding on three legs from the scene of their indelicate gestures of "Free Speech." They won't mind much. The market for dead-sets at Hitler would dry up anyway, and it will suit them just the same to sell sets of Dickens instead. The Hitler régime will then become an "interesting experiment" just as have the Soviet and Fascist régimes in Russia and Italy.

Make no mistake. The Reichsbank and the Bank of England (not to speak of the U.S. Federal Reserve Board) thoroughly understand each other, and although they permit Hitler to be barked at they won't permit him to be bitten so long as he plays their game. This leads us to another reason why *The Times* (reflecting, as it does, the attitude of the British banking hierarchy immediately and that of the Americo-Anglo-German hierarchy ultimately) is so complacent about Hitler's drastic measures. It is that, by adopting them, he has made it more difficult for himself to play any game that the bankers do not like. He has outraged the sentiments of Jews, Socialists, Communists, Pacifists, Humanitarians all over the world, and created a volume of vindictiveness which, like a charge of high-explosive, only needs a detonator to blow him to pieces. That detonator is in the exclusive possession of the Money Monopoly, and is known by the name: "Financial



Credit." Hitler has been allowed the use of one detonator to explode the anti-Jewish, anti-Communist and anti-French sentiment in Germany, with the results we have seen. But just as is the case with the ordinary detonator so with the political detonator: it cannot be used twice. Hitler, having commenced to blast out the foundations of an edifice of authentic German Nationalism, must go to the Credit Monopoly—in his case the Reichsbank—for another detonator but to grant the use of it to his enemies. Hitler is in the same position as that of the Governor in Machiavelli's parable, whom the Prince first appoints to rob the people with violence for his, the Prince's, benefit; but whom the Prince afterwards beheads in order to appease their vengeance—an act which imbues them with such gratitude that they forget to ask for the return of the stolen property. The only difference between such a Prince and the modern Princes of Finance is that the latter never appear on the scene. They do not execute their agent, they secretly slide the means of executing him into the hands of those who hate him. In brief, they finance the insurrection, and at the same time withdraw finance from the Government. In fact, there need not be an insurrection, for a Government without money must abdicate. The way in which the bankers can destroy a Government was put on record by the *Financial Times* when it warned Mr. Lloyd George that the banks could refuse ways-and-means advances. It can be pointed out, further, that if this were not sufficient, the bankers could easily foment a general strike of taxpayers and procure the connivance of Somerset House and Scotland Yard in refusing to proceed against the strikers. They did a little of this sort of intriguing in Ireland where tenant farmers were given the tip not to pay annuity instalments to Mr. de Valera's Government. Readers who followed events in Australia will also remember how the bankers were taking action which would cause the interception of revenue due from the taxpayers to the Government.

This dependence of political government on banking support is opportunely brought out by one of the team of writers who contribute the "Notes of the Day" to the *News-Chronicle*. This contributor, Aylmer Vallance by name, is speaking of the struggle of Dr. Dolfuss and his Government to preserve Austria from being submerged by "the tide of Nazidom." Dr. Dolfuss, he says, is in a difficult position. The difficulty is that the foreign loan promised to Austria has not been forthcoming.

"If he could be assured of getting immediately even a small portion of the long-delayed foreign loan, his position would be greatly strengthened."

He points out that there is a rallying of support for Dr. Dolfuss from Conservatives as well as Socialists (a certain volume of explicable sentiment), but that it won't be effective without money (it won't go off without the detonator). So much for that. Next, the writer appeals to "Britain" and "France" to put up the money. Is it not curious that he should have to appeal? The anti-Hitler sentiment in both countries is at fever-heat, and public opinion would unanimously back the loan if consulted. But it is not, nor will be, consulted. The question of lending or not lending money to Austria, is one which the Central Banks of England and France (in consultation with the others) decide. One must infer, then, that the Money Monopolists are not particularly afraid of Hitler's capturing Austria; and this inference coincides with our previous analysis. Even Jewish elements in banking circles need not

worry after the Nazis' respect for the neutrality of the three large Jewish banking houses in Berlin when the anti-Jew campaign was at its hottest.

And this episode itself is worth dwelling upon. The authentic explanation, so far as we can find, of Hitler's policy regarding the Jews, is that they are not objected to because they are Jews, but because, being an "international" race with "international" affiliations and sentiments, they constitute a diluent of the "national" spirit and outlook which it is the Nazi ambition to revive. Within this frame of reference the explanation is logical enough, and so is the policy, namely, to substitute Gentile "nationals" for Jewish "internationals" in as many key positions as possible inside the political, juridical, scholastic, and other institutions of the country. The same thing in principle has long been normal in American politics, where, on a change of Administration, certain of its officials (who would hold their posts permanently under the British system) are obliged to resign along with the defeated Government.

But the frame of reference is too narrow. It assumes that the only diluents of nationalism are the Jews (whether they mix in politics or not) and such Gentiles as are Socialists or Communists. When the worst has been said of these people, Jew or Gentile, they can only be held to cause the dilution of nationalism. But a diluted nationalism is nothing compared with a poisoned nationalism. And we can demonstrate at any time that the financial policy and practices of Central Bankers operate within the national organism just as do poisons within the human organism. While Hitler is purifying the *spirit* of nationalism the bankers are perverting the *practice* of nationalism. He ought to have asked himself first: "What do I want nationalism for?" And how can I use nationalism to get it?" These and other questions can be compressed into one: "What is nationalism?"

The answer is that the essence of nationalism is financial self-determination—the control by a representative Government of economic policy, and of the quantity, and manner of use, of the financial credit required to carry it out. At the present moment that control resides in Reichsbank as concerns the domestic economy of the German nation. But the Reichsbank is not, as it is popularly regarded, *The Bank of Germany*, but—to give it an intelligible designation—a branch in Germany of the Bank for International Settlements. It occupies German territory in just the same way as the French troops occupied the Ruhr. It decides over the head of the nominal Government—that is, at present, over Hitler's head—the scope and nature of industrial and other activities in Germany. In deciding this it takes account, not of the interests of the German population, but those of the alien international B.I.S. of which it is a member. By reason of its manipulation of credit inside Germany it puts the German people into the position of being obliged to export a greater value of goods than they import in order to keep the solvent. The British and French branches of the B.I.S. do likewise in those countries with the same result. And so throughout the world. Now, the world as a whole cannot export goods! Therefore, some countries are bound to be insolvent, and when they are it rests with the Central Banks in those countries whether to enforce the penalty (wind up those enterprises which have been losing money) or to create and issue new credit to tide the Government over the financial crisis. But antecedently the B.I.S. takes measures to equalise the incidence of insolvency so far as it can in order that the countries left behind in the race for trade shall not be driven to complete ruin. Those measures include such things as manipulations of the exchanges and tariffs. These appear to be the acts of the Governments, but they are really the acts of the Central Banks per-

formed in pursuance of their concerted policy as the Bank for International Settlements. The British "national" Government has no control over the Exchange Equalisation Fund, or the May Tariff Committee, or Trade Agreement arrangements. Bulldog, French Poodle, and Dachshund alike squat round the Bank at Basle begging for bones; and the begging which wins the biggest share consists, politically, in a Government's success in keeping the population at work on the lowest scale of subsistence.

If Hitler had had any idea of inaugurating a true nationalist Government in the sense defined, and had accordingly laid plans to withdraw Germany from the region of international competition, and to expand the volume of her domestic production and distribution, his attempt to extirpate internationalist sentiment would be in clear logical relationship with his plan. That sentiment would not fit the plan, whereas the nationalist sentiment would. But since, by all appearances, Germany is to continue to compete abroad for crusts as before, the reverse is the case, and the very propensities for which he has repressed the Jews are seen to be an asset.

However, the point need not be elaborated, for there is no evidence that the indiscriminate repression of Jews is a settled policy of the Nazi Government, and several practical reasons why that policy would not pay. So far as Gentile grievances against Jews have any logical basis it will be found to consist in the fact that the genius of the Jew enables him to adapt himself more easily and profitably in commerce to the rules of the game laid down by the Credit Monopoly than does the Gentile. Short of slaughtering the Jew you cannot extirpate his genius. So what you obviously must do, if anything, is to change the rules of the game in which the Jew excels. And when you begin to attempt that, you will find yourself up against, not Jews, but bankers—not a race but a cosmopolitan financial monopoly.

We are here assuming, of course, that the change you attempt is founded on the principles underlying Major Douglas's Social Credit policy. Postulating that, then it will be found that you have established the foundation not of a victory over the Jews but of an alliance with the Jews. Remember Jack Sprat and his wife. The Jews, let us say, are in commerce not only because they want to make money, but because they have a congenital itch to make money by commerce. They couldn't let it alone if you paid them. Very good. And for every example of this type we can produce a Gentile type who, given an adequate National Dividend, will come out of commerce and devote his genius to activities more congenial to his personality. And so, in the same sense as the Prophets spoke of the lion lying down with the lamb, we can foresee the "lean" genius of the Gentile co-operating with the "fat" genius of the Jew to get adequate supplies of both lean and fat on the economic dinner-plate—in financial terms, to secure the issue of national dividends to supplement industrial profits and wages.

If Hitler wants to consolidate national sentiment behind him (and unless he does, he will dissipate it) there is no policy which will do that so thoroughly and quickly as that of challenging the Reichsbank to explain its credit-policy and defend its right to control that policy over the heads of the Government and people. In conjunction with that policy the technical analysis of the credit system and the political indictment of its controllers (as explained and formulated in the literature of Social Credit) would have to be the subject of public education—voluntary for the most part, but compulsory on the officers and men under Nazi discipline. The trouble about the Brown Army is that it is "all dressed up and nowhere to go." They must have their own sense of direction; and it is through their lack of such sense that they have been running amok among Jews and Socialists. A stout heart will beat in vain inside a brown shirt

if a dumm Kopf sticks out of the shirt. To the cry "To arms!" we answer with the cry; "To school!" Arms are tools. And before any movement can choose its tools it must realise what it wants to make with them. Ends come before methods. And that means for the Brown Army that staff lectures come before parades. Let the General Staff be wise in time and order them into the class-room.

There is a special reason for this advice. Suppose there is a successful counter-revolution—an event which we have shown that the bankers can precipitate if they like. What chance would Hitler and his Nazi entourage have of escaping execution? If they could show—with reasons—that their policy had been conceived at and instrumented, and perhaps even imposed on them by the Reichsbank, then it might be Financial, not Political, Dictators who would mount the scaffold.

## Socialist Finance.

[Extracts from an article by Hugh Dalton in the *Labour Magazine*, May, 1933.]

"Mr. Grinko, the Soviet Commissar for Finance, told me last summer that much propaganda was undertaken to persuade all workers to take up these loans, so that they might all feel they had a 'stake in the country.' [The loans in question are loans raised by the Russian Government from private persons on which interest at 10 per cent. is paid, or alternatively bearing the possibility, based on a lottery, of large money prizes.]

"In Soviet Russia, furthermore, where the banks as well as industry are socialised, short term credits from the banks to industry carry interest at round about 6 per cent., though long term credits are generally interest free. In the early stages of socialisation in this country . . . I hope . . . that interest on loans of public money will be a valuable aid to public revenue. . . . And it may well be . . . that in a completely socialised society *interest would still enter*, not as an element of private income, but as an accounting device to secure a socially desirable distribution of the community's resources between present and future, or, in other words, between consumption and construction

"There is considerable scope, in Socialist finance, for capital expenditure financed from revenue, both from tax revenue and from surpluses realised by public enterprises."

It will be noted that, as regards the Soviet policy, the more it repudiates industrial-capitalism the more it imitates finance-capitalism. Readers of THE NEW AGE will see that there is no fundamental difference in principle between the policy which Mr. Dalton envisages and that which Stalin is putting across the Russians on the one hand, and Mussolini across the Italians on the other. Not one of them is prepared to trust the community to decide for itself "what is socially desirable." Whereas Stalin concedes interest-free loans accompanied by direct compulsion as to their use, Mr. Dalton would adopt the more subtle method of applying compulsion as to use through a discriminatory interest-tariff. Moreover, Mr. Dalton, by his own account, would extend compulsion further than does Stalin—for whereas the latter does invite citizens to subscribe to loans for financing State enterprises, Mr. Dalton would compel British citizens to yield up money for that purpose through prices and taxes. The technical consequences, too, of the principle here implied, namely re-investment out of personal incomes, are well enough understood by our readers not to need explaining. Many of them will recall that book: "Revolution By Reason" for which Oswald Mosley (with Strachey) was responsible, and in which a policy closely resembling Mr. Dalton's was outlined.

We are not surprised that Mr. Hargrave has noticed, as he says in his article elsewhere, a tendency for British Communists and Fascists to make common cause against the Greenshirts. They are logically bound to; for they are committed to perpetuate just those things which the Social Credit analysis marks down for eradication.



## The May Demonstration.

(HYDE PARK, MAY 7, 1933.)

By John Hargrave.

The Trade Union Congress, the Labour Party, and the Co-operative Movement organised a May demonstration in Hyde Park on Sunday, May 7.

Since October, 1932, the London Green Shirts have attended practically every public demonstration and meeting, and on each occasion their numbers have shown a steady increase. At the first demonstration, on October 30, there were only about twenty Green Shirts on parade. On Sunday, May 7, there were 125.

This was the largest parade of Green Shirts to date. The column marched in fours (over 100 in full uniform, and the remainder wearing green armlets), with seven banners and flags, a large effigy symbolising "The Bankers' Combine," carried shoulder high by four men, and a side-drummer in front. The column included a contingent of the Women's Section (London Branch) looking neat and smart in their green shirts, berets, and grey skirts. All H.Q. Staff Officers were on parade.

The main banners carried bore the slogans "London Green Shirts Demand the National Dividend!" and "Would a Maggot Starve Because the Apple was Too Big?"

It should be noted that this was the second May (Day) demonstration this year, the first having been organised by the Communist Party in co-operation with the I.L.P. on Monday, May 1. A contingent of Green Shirts attended this demonstration also. These two demonstrations reveal the present schism within the politically organised working-class movements. The call for a "united front" from the Communist Party, agreed to by the I.L.P., was turned down by the social-democratic T.U.C., and Labour Party.

Setting out from their headquarters, the main body of Green Shirts marched to the Embankment, where they joined the other wage-earners' and unemployed contingents. With these they marched to Hyde Park via Westminster Bridge and Victoria, arriving in the Park about 4.30 p.m. Here they were joined by the Battersea Green Shirts, who had marched there in advance.

Having taken up their position in the Park, the column halted, but kept its formation throughout the meeting. Five Green Shirt speakers in succession addressed a large crowd from a makeshift platform.

The day had been dull and overcast to begin with, but the sun broke through during the afternoon, and the Park was thronged with demonstrators and sightseers.

The general psychology of the demonstrators and the onlookers was totally different from that of the Hunger Marchers last October. There was little or no spontaneity of spirit. May (Day) had come round once again and, as usual, Labour must have a demonstration. There was something near akin to the "dead hand" of repeat-ritualism tending to subdue the whole affair. The huge, unwieldy trade union banners seemed to symbolise the lumbering confusion of the T.U. movement. As a whole the demonstration lacked any *elan vital*. The organisation showed all the weaknesses of social-democratic formlessness, and none of the impetus of potential mass revolt. It lacked objective and direction.

All the speakers denounced "Fascism and dictatorship" and frequently referred to Hitler, but apart from this there was nothing except a pathetic belief in trying to vote the Labour Party (Lansbury brand, not MacDonald Nationalist) into "power."

Here and there were a few young I.L.P. men wearing red shirts (crimson, orange-red, pillar-box red, and blotting-paper pink—all shades), but they acted

as scattered individuals and not as a disciplined body.

Some members of the Oxford University October Club walked (slouched) in one of the processions shouting "We won't fight for King and Country!" That also was pathetic. I happened to have a close-up view of this strange little straggle of "intellectuals." Their faces, their expressions, their physique, their bearing, filled me with a kind of nausea. They struck me as being slack and feeble in every way; of no use in any army—let alone a Revolutionary Army. However, that is merely a personal reaction. No doubt a Trotsky could whip them into shape after they had done six months in an "awkward squad" under a big Baltic sailor.

One general impression is given off by this and other demonstrations that have taken place during the past few months:—

*The "success" of Hitler's Nazi movement in Germany has profoundly disturbed the Communist and social-democratic elements in this country, in a way that Mussolini's Fascist "success" in Italy did not.*

The reason for this wave of anti-Fascist panic seems to be fourfold: Germany is nearer to us than Italy in many ways; Hitler came to "power," not by a March on Berlin (he could not work it), but by making use of the democratic ballot-box; there have been several miserable attempts to organise British Fascism (such unfortunate initials!), and there may be more to come; and, finally, the Socialist Cause is very badly in need of an outside enemy to pull it together and to give it an immediate objective.

It is hardly surprising, therefore, that when the Green Shirts marched into Hyde Park on May 7, a gnatlike swarm of Labour, Socialist, and Communist hecklers pushed their way through the dense crowd surrounding the column and, as soon as a Green Shirt speaker got up, began to shout questions, to yell interruptions, to boo, yarp and barrack practically the whole time; so that each speaker had to overshout a constant barrage of this sort:—

"Green Fascists!—Where's your black shirt?—Major Douglas! did you ever hear of a Major on the side of the Workers?—What's the National Dividend—another 'dole'?—If you're with the Workers why don't you join the Communist Party?—We don't want a National Dividend—we want Workers' Control of Industry!—Afraid to put on a black shirt, so they wear green!—Are you against the Means Test?—Down with Hitler!—Workers' Control!—Who finances your movement?—We don't want to hear about the National Dividend!—Who put the maggot in the apple?—don't push, don't push!—give 'em a chance to speak!—You'll be with the Fascists when the time comes!—" and so on.

Finally, as the last Green Shirt speaker was concluding his address the Communist hecklers and barrackers began to sing the "Internationale." The Green Shirt column then struck up the marching song "Come on the Green Shirts!" and sang the opposition into comparative silence. This psychological defeat seemed to be taken in good part by the opposition singers, in spite of their somewhat frenzied attempt to rouse the crowd to a feeling of hostility towards the Green Shirts.

The meeting in the Park concluded, the Green Shirts were called to attention and given the order to march. The crowd, tightly packed at the head of the column and at this point "packed" with hostile elements, at first refused to make way. However, the Green Shirts pushed their way through as gently as possible and marched off in good order. At Parliament Square the Battersea contingent left the main body to march back to their own H.Q., and the composite London Hundred reached National Headquarters at about 7 p.m. in fine fettle.

We note that Communist opposition has increased considerably, tending steadily away from any sort

of logical intellectual conflict towards the emotional and physical. On two occasions during the meeting there were crowd-rushes on a small scale by momentarily-organised hooligan elements. The more intelligent Communist organisers did their best to quell these manifestations, and were more or less successful in doing so.

The situation now being brought to a head by the Communists can be stated as follows:—

- (a) "If you are for the working masses you must join up with the Communist Party";  
(b) "If not it proves you are Fascist."

That is exactly the position foreseen and expected by the Green Shirts. The attempt to drive the Green Shirts to the Red Left or the Black Right will become still more intensified as times goes on.

The Green Shirts maintain, however, that the principles of Douglas Social Credit destroy the foundations of the Communist State, the Corporative State, and also the present Capitalist system as it has developed here and elsewhere.

They maintain that a riot is not a revolution, nor even the prelude to a revolution, and that disciplined mass pressure using an unarmed military technique is the correct method in this country of bringing into being the Social Credit State.

Just as Social Credit is a catalytic agent in the sphere of economic logic, so the Green Shirts begin to act as a third resolute factor within the political duality of Communism on the one hand and Fascism on the other. At least 80 per cent. of the Green Shirt Movement are wage-earners—a majority of these are unemployed, on the "dole"—and it is just because of this that the opposition from the Communists, and from the Fascists, is now becoming more and more acute.

The Communists immediately smell—"Fascism!"  
The Fascists instantly scent—"Bolshevism!"

There is even a tendency for Communists and Fascists to co-operate with each other against the Green Shirts, thereby destroying their own political power! (An actual instance of this strange *mariage de convenance* occurred within the last few weeks.)

The situation revealed by the May 7 demonstration is quite clear. It amounts to nothing more nor less than a struggle for the leadership of the politically conscious wage-earning masses and the unemployed. In that struggle the Green Shirt Movement for Social Credit is day by day gaining ground, not only in London, but also in the industrial North.

## Joy versus Tribulation.

By Marten Cumberland.

I.

The economic system is a means to an end, and that end is the development of individuality, which depends upon culture.

The instruments of culture are the arts and sciences, and only recently in human history have these two forces been separated. Divided they fall, and Money is the victor. The conception of life as an art disappears; the madness of life as a dreary money-making proposition generally prevails. (*Il faut gagner la vie.*)

It was essential to Money that cultural conceptions should be destroyed, for the false values of finance could not live in the presence of the true values of culture.

The arts and sciences live by the discovery, and the exposing of truth: Money lives by lies. Artists and scientists must publish the results of their work; financiers, politicians, and parasites commonly conceal their activities or disguise them as far as possible.

We will lump together artist, scientist, artisan, and all men who work, however humbly, towards

the creation of true values, and we will call such a man the Artist. The work of the Artist, whether he consciously wills it or not, has as its end the empowering of his fellow-men. The Artist empowers his fellow-men by bringing their souls into ever closer harmony with what we call "Truth." (The "beauty" of the artist, and the "truth" of the scientist are the same in essence.)

Absolute truth and beauty are, of course, unattainable, and so the absolute may be regarded as inhuman. Consequently, the Artist's joyous pursuit may be considered as a process of *humanising* the absolute, and the dehumanised. So one may note that the language of the Artist is always human; the cant of Money is dehumanised. Thus the Artist speaks of "feeding and clothing men and women"; the parasitic economist speaks of "reducing labour charges." *A propos* it is psychologically interesting to note how criminal men always clothe the reality of their actions in vague phraseology: thus the crook does not steal an automobile, or murder another man; the crook "knocks off" a car, and "bumps off" a guy, whilst "taking him for a ride." When culture suffers its great instrument, language, suffers. In our criminal society words lose their meaning, and we are given debased coinage, such as "economy," "rationalisation," "worker," "national," "hectic," "lurid," etc., etc.

To combat Money, therefore, we must return to cultural values; or, rather, reawaken them, for they still exist. Civilisations die, but their cultures live on. Nor need we be afraid of words like "art" and "culture." The latter, spelt in office-boy fashion with a K, fell into disrepute, but it may always be written again with a C. As for "art," we are all born artists, though, through "education" and social environment, we are robbed of our birthright. Every child is an artist in his games, in his secret language, in his "dressing-up," in his fantasy. The child who spent the afternoon in a London garden, "being afraid of bears," was obviously an artist in embryo, though he may have been turned into a chartered accountant.

The French wisely differentiate between "education" and "instruction": the latter is the article we receive at school in exchange for money; "education" is the best thing we may obtain in exchange for life, and for all we know it may go on after what we call "death."

We are all, naturally, artists. The cuckoo makes music, and Mr. Montagu Norman collects pictures. Art depends upon infection: readers and audiences must collaborate with novelists and dramatists; appreciation of art depends upon sympathetic insight, and so only a nation of artists demand, and get, good art. By the same token a nation of shopkeepers end by losing even their shops. There is no hope in the business-man, or in business. Business cannot be "romantic," for it belongs neither to the past nor to the future, and there is no "romance" in the present. The business-man cannot be "shrewd," "level-headed," or "practical": the more simple among us have seen the business-man handing his pocket-book to "con" men, and his credit to bankers, and an infinite pity has sprung up in our hearts. Man as "business-man," like man as "worker," is dead; it remains to bury, not to praise, him.

One may visualise history as a struggle between two active opponents, Man the Creator and Man the Parasite. The former struggles to create true values, the latter false ones. We will call them Artist and Machiavel respectively.

The great mass of the public represent a more or less passive instrument, to be played upon by Artist or Machiavel. And here is the explanation of an apparent contradiction in the attitudes of artists towards the crowd. (Cf. artists as widely



different as Leonardo and Wilde.) At one moment the artist seems to hate and fear the people; at the very next moment he seems to love or pity them. This is because the artist, better than most, knows how the crowd may be a group of intelligent individuals giving sympathy to art and culture, or a raging mob shrieking for Barrabas, or tearing Casca for his bad verses. The same crowd—but played upon by Artist or Machiavel.

The Machiavel, seeking what he calls "power," by the enslaving of his fellow creatures, always pretends to despise human nature, which he creates, in his own image, as an odious thing. It is the very core of Machiavelism that human nature is despicable, and unalterably so. That is the justification of a lunatic creed. Yet Machiavelian despotism must pour out millions of money in a steady stream in order to arrive at anything approaching a debasement of the people, and in order to hold in check a mere handful of artists, in their counter-attack.

When despotism has resulted in the inevitable state of anarchy, how does the Machiavel appeal to "despicable" human-nature to fight, so that the world may be again safe for senility? Is an appeal made to fear and greed, or is it made to courage and altruism? We know that war propaganda is as noble as ignoble minds can make it. True, it gets steadily worse, but this is natural as despotism loses its heroic qualities and a Nero is replaced by a Morgan. Thus, the last war produced the slogan, "Business As Usual," admittedly a mistake, but, what would you? The queer thing is that the best brains cannot be bought for money.

At times life must be extremely disconcerting to the Machiavel. The "rabble" still raise statues to a Shakespeare rather than a Mellon. It would still seem as though intellectual integrity were like the chastity of a fastidious woman, above rubies and even above the glories of an English knighthood. Our modern English journalism is a pathetic example of the best money-brains can do. With 45,000,000 potential readers a popular paper boasts of two million readers, all "certified." The "readers" are, of course, nothing of the kind: they are men and women interested in "sales" and the winner of the 2.30 race; they are people who find amusement in cross-word puzzles and solace in free insurance. Poe took hold of a journal and by individual genius got all the readers available. Big Business destroys individuality, and will end by giving a Ford car with every copy of their newspapers. The heaviest bribery will not induce the public to read the evacuations of coprophagous hacks; and here is one example of how despotic crushing of individuality fails. The soul of man will not live under despotism.

The Artist, being dependent upon a free and cultured people, must work against Money. In modern, commercial times, as despotism has lost all remnants of the heroic, becoming quite despicable and furtive, all artists are definitely against Money, as they are against War. To the Artist morality is a progressive science, and a fine morality is only to be created by the instrument of a fine imagination. Hence the war between Artist and Puritan, the artist being dubbed "immoral" by respectable shop-keepers whose "morality" is a life-less and static sentimentality.

When the Douglas apple strikes the head of an artist he is converted immediately. He has no need to worry about A + B for he has always known the system to be wrong because it is dehumanised. It is not necessary to tell an artist that there is no virtue in work undertaken without joy, for Man the Artist has always said so. As for morality, the Puritan will never understand that an amoral art sets standards far above his thwarted and emasculated understanding. Congreve and Jeremy Collier

will never understand each other; but the former will live because he stands for life, the latter will die because he is opposed to life.

The Puritan is worthy of a little attention for, during the last four centuries, he has fought doughtily in the cause of sober thrift and industry and self-help without smiles. The adoration of the pawnbroker would have been impossible without Puritan "morality." Christ drove the money-changers from the courtyard of the Temple, the Puritans led them back into the Holy of Holies.

We have said that it was necessary for Money to destroy cultural values; in England, that is in the modern commercial world, culture was destroyed by a small, armed force of Puritans backed by international finance. Space forbids an examination of so big a subject, but consider a few facts relating to Tudor England and after.

The curtain rises upon Elizabethan England. The Feudal ideal of responsible rulers giving service, is not quite dead, but it is dying. Power of Church, State, and aristocracy are all in a bad way. One of the chief events of the period is the destruction of the Spanish Armada. International finance cut off the credit of Spain, delayed the Armada two years, and equipped the counter Armada. In this epoch Irish and English cultures are to be destroyed by the same financial power, whilst "national hatred" is bred as a consequence. Irish culture was magnificent, though this fact has been ignored or concealed by our English historians. Ireland had not been injured by previous English "conquerors," for they were absorbed and became Irish. Actually these Anglo-Irish improved Ireland, and fought with the Irish against the dreadful financial exploitation which turned a wealthy land into a wilderness. The same governments opened workhouses, enclosed common-lands, introduced cheap, inferior foreign labour, and forced down English "labour charges." The Englishman who refused to work twice was put to death; the first two times he was merely bored through the ear with a hot iron and flogged. At this period we first hear of "over-population," a cry that was answered sensibly by Harrison of the Holinshed Chronicle.

Nevertheless the Elizabethan Englishman was an artist. Rich or poor he was an accomplished musician. Poor, anonymous men composed fine songs; they sang, and played upon musical instruments. On the walls of a barber's shop a musical instrument hung, as a matter of course, so that the customer could beguile himself whilst waiting. Musical ability assisted a man in obtaining a job, for everyone worked to song and music. As for the "gentlemen" of the period their musical knowledge, commonly held, would be considered phenomenal today. They were cultured dilettanti. The Elizabethan was musician, poet-lover, and metaphysician. He would turn from the bear-fight to listen to the greatest dramatic poetry the modern world has seen, or, though perhaps irreligious, he would attend a long metaphysical sermon, merely to indulge his "nimble wits"—the favourite phrase of the period.

At this time, all over the Continent, except Italy, the English actors, tumblers, clowns, and musicians were famous. They were almost our chief export.

But Big Business and the Puritan were attacking. In 1549 a revolt, chiefly of English copy-holders, was put down by foreign mercenaries. Shakespeare was a "vagabond." Actors wore the liveries of nobles, not because the artists were necessarily in the service of these nobles, but merely to protect themselves from the "vagabondage" charge. Church, State, and aristocracy supported the theatre, and all actors fought for Charles, and for their own existence. Money won. The theatre was closed, and lyrical drama never recovered from the blow. The iconoclasts destroyed, not only art and

artists, but that *amoral attitude towards life which is essential for an apprehension of cultural values.* After the Rebellion all our great writers sermonise.

Read, if you can, the "religious diaries" of the Puritans. In such diaries the price of tallow candles is set down on the same page with the price of the tradesman's soul—both prices being much inflated. Everything is now judged by "business morality," which is no higher than a man's pocket. That nauseating mixture of canting hypocrisy and profiteering appears for the first time as an English characteristic—to stink in the nostrils of more favoured lands for centuries to come.

Foreign trade and "imperialism" now rise to great heights, and Cromwell accepts £60,000 from the Jews for "the right to build a synagogue in London." Whereas the Englishman had lent money without interest he is now proud of being a usurer. So it would seem that if human nature cannot "change," at least it may be considerably modified by circumstance: the gay, poetical, music-loving Englishman becomes a dreary individual whose whole life is bent—under Jehovah—upon the supreme task of buying a yard of cloth for eightpence and selling it for a shilling. This kind of "success," and no other, becomes the criterion of greatness, in an individual or in a nation.

(To be continued.)

## The Films

### The Tragedy of Everest: Rialto.

This is a great and stark picture, made by the Bruce-Mallory Expedition. It would be immensely worth seeing alone for the sake of the photographs of sunrise and sunset over the Himalayas, and it appears to have inspired its makers with a real awe of Everest that communicates itself to the spectators. I believe that the Rialto is at the moment showing it exclusively (in addition to the ordinary news reel programme) but it should be booked by theatres throughout the country. In the meantime, I commend my readers to go to Coventry-street and see it; it will take them into a world of strange and romantic beauty. The musical accompaniment is quite unusually appropriate.

### Le Rosier de Madame Busson: Academy

This is far and away the best film we have had from any French studio since "Sous les Toits de Paris," and it is also one of the wittiest contributions that France has made to the cinema. Bernard Deschamps, who directed, inevitably challenges comparison with René Clair, and with Clair at his best. Here are the same subtlety, delicate wit, and satire at the expense of law and order, provincialism, convention and the petit bourgeoisie, while Deschamps has also adopted the Clair formula of combining economy in speech with the adroit use of musical accompaniment, plus incursion into ballet and pure fantasy. Incidentally, this film is essentially Gallic. It is based on the story by Mauissant, and among its excellent features are brevity, which may, however, be due to cutting for the English market, and the manner in which the atmosphere of the nineteenth century has been preserved with such remarkable fidelity, despite the transposition of the period to the present day. Among an admirable cast, which has been selected with an eye to types, special mention must be made of Fernandel as Isidore and Marguerite Pierry as Victoire. This picture is being shown in England under the style of "The Virtuous Isidore," and English titles have, I understand, been added since the private presentation last week. But very little in the way of explanation is needed for those who have no French. "The Virtuous Isidore" is definitely a film to be seen—and to be seen more than once.

### The Girl I Made. Child of Manhattan: Empire.

Hollywood has within the last few months sent us so many excellent films devoted to ballyhoo, debunking, and hokum, that a new picture coming within any of these categories should be very good. "The Girl I Made," despite its witty dialogue, does not fill the bill. As is the case with so many other recent American films, the sophistication and the wit are too obviously manufactured, and the resultant working to a formula robs the production of spontaneity. Robert Montgomery is very good, as is Madge Evans. I am not so

enthusiastic about Sally Eilers. The ending of this film is clever, if unconvincing, a phrase that aptly describes the whole picture.

If you like kitchen-maid stuff and synthetic ingénues, "Child of Manhattan" should give you 71 minutes of enjoyment. This is yet another version of Cophetua. A millionaire has an affair with a ten cents a dance girl. Girl is about to produce a pledge of affection. Millionaire marries her, but insists that marriage be kept secret. Baby dies. Wife goes off to Mexico to procure a divorce as a heroic gesture in order to free the husband whom she loves. A café brawl in Mexico reveals the fact of the marriage after the divorce has already been secured. Reunion. John Boles is unexpectedly good as the hero. Nancy Carroll is the lady in the case. There are exactly these two good lines in the film:

"I'm not a good girl. I've been a courtesan."  
"Religion doesn't make any difference to me."

The film was made by Columbia, whose output is always more remarkable for quantity than quality.

DAVID OCKHAM.

## Germany To-day.

Details\* of attacks under the Hitler regime in Germany upon persons and organisations are given in a pamphlet under the title "Germany To-day," issued by the German Relief Committee which is doing valuable work under the chairmanship of Lord Marley, in collecting carefully authenticated information, and extending help to impoverished victims of the Terror. The evidence collected goes to show that whilst the Jew and the Communist are the unfortunate scape-goats, and personal vendetta and job-seeking account for a number of the crimes, the real objects of destruction are liberal thought of every description and every voluntary Labour organisation in the country, the most important of which, the Trade Unions, have now been forcibly seized and their funds confiscated.

It is well that British citizens, to whom freedom of speech and assembly, and freedom of academic knowledge from political violence, are a priceless heritage, should realise the danger overhanging their own already circumscribed liberties in these respects. The obsequious tolerance extended to the new regime in Germany by the financial powers behind the Government, warns us all to observe the unpleasant similarity of design between the centralised power in Germany and the operations of centralised Finance. The dramatic form of the one and the anonymous measures of the other, should not hide from us the common nature of their purpose—the subjection of every individual citizen to acquiescence in whatever institutions and whatever standard of living serves the further concentration of the centralised power.

A very painful pamphlet of French origin entitled "La Peste Brune sur L'Allemagne"—illustrated with photographs of certain victims of personal torture—is obtainable from the same source, printed in French, German, and English, with forewords by Romain Rolland, Henri Barbusse and Andre Gide. It affords terrible warning to the British nation to resist even the beginning of a false and malicious "patriotism," and to be on guard against the insidious appeals to race-purity with which the murderous impulses of thwarted ambition tend to clothe themselves.

W. T. S.

\* "Germany To-day." (Price 1d.). "La Peste Brune sur L'Allemagne" (free). Workers International Relief, 33, Ormond Yard, W.C.1.

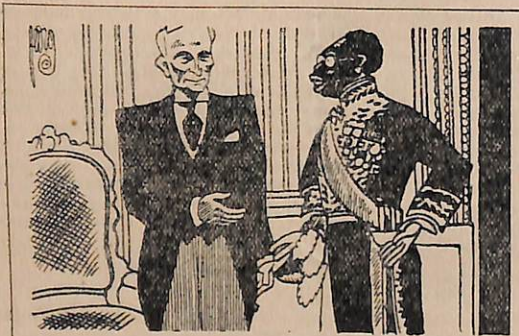
## Upside Down as Usual.

### "The World Conference"—

"How much the prospects of the London Conference are affected by the progress made or not made at Geneva is evident from the order in which the President [President Roosevelt] classes the measures necessary to restore prosperity. In his broadcast address on Sunday he placed disarmament first; the removal or reduction of trade barriers second; and the stabilisation of currencies third. In the joint statement of the results of his conversations with Signor Jung [Italian Minister of Finance] the restoration of political tranquility was given precedence over the solution of financial and economic problems."—(Times, May 8, leading article, "The World's Conference.")



## No Budget, No Deficit!



-Nous n'avons pas de déficit parce que nous n'avons pas de budget!

[Extracted from an article entitled "L'Amérique Pauvre," by Raymond Recouly, in *Gringoire* (Paris), 14-4-33.]

The author states that last year (i.e., 1932) he was entertained, while travelling, by the Suez Canal Company at Ismailia, and there met Lord Reading. He states that Reading told the following story:—

While Foreign Minister he had to receive one afternoon all the diplomats accredited to St. James's. There were about forty in all, so that he could only give each a few minutes' interview. He asked them all the same question:

"Have you been able to balance your Budget?"

"No," they all replied, despairingly.

The last to appear was a black gentleman, who represented the Republic of Liberia.

"Have you a deficit in your Budget?" asked the noble lord, for the fortieth time.

"No," replied the negro, without blinking.

"What," exclaimed Reading, "how is it possible?"

The negro replied blandly:—

"We have no deficit because WE HAVE NO BUDGET!"

## Events of the Week.

(Compiled by M. A. Phillips.)

- May 6.  
Dollar rate rises to 4.01 to the £. Exchange Fund being used by Bank of England to stabilise £—franc rate.  
American Federation of Labour protests at price rating effect of proposed inflation.  
U.S. farmers strike in seventeen States for higher prices—position desperate.  
Australian wages—all-round small increase recommended by Commonwealth Arbitration Court.  
Sino-Japanese war continues.  
American negroes, backed by Communist and other Socialist interests to march on Washington with petition for Scottsboro' negroes.
- May 7.  
Labour Party May Day demonstration in Hyde Park. Green Shirts take part.
- May 8.  
Bread up in price to-day. Fascists again attacked in Piccadilly, London.  
Sudden and mysterious increase in World price of wheat.  
Proposed War Debt moratorium strongly opposed by Congress.  
Fighting breaks out on Austrian frontier.  
German Fascist Government to suppress Co-operative Societies. Many German Socialists commit suicide.  
General strike expected in Spain.  
Gandhi begins his fast and is released from prison. Boycott suspended for a month.  
Roosevelt broadcasts inflation speech and urges tariff truce and disarmament.  
Boots' £6 M. deal concluded.
- May 9.  
£ equals 3.99½ dollar.  
Norman Davis sees Runciman at Board of Trade on tariff, and Rosenberg, Hitler's representative, on disarmament.  
MacDonald, in Commons, hints at debt moratorium, tariff reductions, and disarmament pacts with U.S.A.

Japanese Radio to block Soviet Radio propaganda. Soviet to sell its share of Chinese Eastern Railway to Japan.

Unemployment 2,697,600 (—78,000 in a month).  
Irish Free State deficit of £2,000,000 in Budget of £24 M. Higher and more taxes to be imposed.  
Police Federation Executive Committee to meet to discuss Trenchard's proposed police reforms.  
Major Elliot (Minister of Agriculture) at Bankers' Dinner—supports recent Trade Agreements.

May 10.

Spanish one-day revolt crushed.  
£750,000 for depressed areas in Great Britain (£500,000 from other areas and £250,000 from Government).  
Increase in Exchange Fund passes House by 238—41 in spite of some criticism.

May 11.

Irish Free State to float National Loan and to promote "public works" to cure unemployment.  
British investments in Argentine more than £500 M.  
British overseas trade drops heavily: March, 1933, Imports, £56 M.; Exports, £32 M.; April, 1933, Imports, £51 M.; Exports, £26 M.  
Paraguay declares war on Bolivia.

May 12.

Lord Trenchard's police reforms accepted by Cabinet. Officers from outside curtailment of Police Federation powers.  
B.I.S. urges World Economic Conference to go back to a "reformed gold standard." Note: International short-term loans total £1,717 M.; £860 M. of this is frozen.  
Gandhi starts to be seriously ill.  
Anti-Fascists demonstration outside Rosenberg's hotel. Miners' wages deadlock.  
Anti-Bedaux strike at Hope and Sons, Smethwick, continues.  
Germany insists upon her right to re-arm at Disarmament Conference.

## Clues to International Politics.

A correspondent writes us privately to recommend to students of international politics an official publication, No. C.48, M.18, 1933, II. It is priced at 1s., and the publishers are Messrs. Allen and Unwin. It is the draft annotated agenda for the Monetary and Economic Conference submitted by the preparatory committee of experts at Geneva, and is part of the "Series of League of Nations Publications II., Economic and Financial, 1933, II." Its value, in our correspondent's view, is that it affords clues as to the ultimate objective of the Roosevelt proposals for a customs truce, and to the Anglo-Argentine Agreement, and will probably help students to interpret developments still to occur in the international field of intrigue.

We have not read this publication, but we can vouch for the antecedent probability of our correspondent's advice being good, because we do recollect that at the time of the preparation of the above agenda there were several short references to its contents in the London Press, most of which seemed to us very suggestive. The publication should be procurable through any bookseller.

## Living on Capital.

A TIP FOR THE ELDERLY.

"The revenue authorities have just met their match.  
"A retired banker, living in a beautiful mansion, possessing three magnificent cars, and maintaining a large staff of servants, never made any declaration of income.  
"A tax inspector called on him for an explanation and was informed: 'I have no income!'  
"The tax inspector insisted on further information, and the retired banker took the official to his safe deposit at the Crédit Lyonnais and produced 18 millions of francs in notes.  
"I retired from business four years ago with 20 million francs," he declared. "I was sixty, and my wife fifty-six. As we had no heir we decided to live on our capital, at the rate of 500,000 francs per annum during the forty years which the most optimistic estimate would allow us in this world."  
—*Gringoire* (Paris), 7-4-33.

## "A + B."

[With apologies to the proprietors of a well-known brand of petrol.]

"A" plus —  
Plus what?  
Plus a little something.  
The consumers haven't got.

G. L. W.

## LETTERS TO THE EDITOR.

### FURNITURE.

Sir,—I remember, in pre-Douglas days, joining with Senor de Maestu and others in a discussion in the columns of THE NEW AGE, the subject of which was machine work versus handicraft.

Later it has often occurred to me that it would be interesting to consider what would be the effect in this connection of the establishing of a Social Credit régime.

Although perhaps the carrying on among us of suchlike discussions, chicken-countings as we may call them, is to be deprecated, on the ground that dwelling too much on the beauties of the Promised Land may put us to sleep in Bye Path Meadow, yet, for once—here goes.

Let us, to keep small the "frame of reference," take household furniture—say chair or table. Now let us agree that the acceptability of such an article to a person of taste, assuming that in material and shape it is perfectly right for its job, largely depends on the extent to which it enables him to feel the intelligence, the taste and the love of beauty which have guided the hands of its human maker. A table or chair so made may be a pleasure to the cultivated for generations.

Take the same design and if possible, with automatic machinery, turn out a thousand replicas. Cheap, strong and useful they might very possibly be, but not one of them could ever give fine pleasure to any discriminating owner.

In our present poverty-stricken state we are all only too glad to get anything to sit on or eat at, and must perforce rest content with the standardised abominations we mostly use. Poverty gone, we should, most of us perhaps, remain for a time so content. But there would be a great freeing of good taste. Those who, as things are, still love beauty in common things would not, as now, be forced to do without it; they would insist on having it. There are as many men in England who have in them the makings of fine craftsmen as ever there were; men who, the fear of poverty removed, would go joyfully to the work they could take a pride in. For the demand would soon be great; first from those in every class of natural good taste and then from the more or less gradually educated or blindly following crowd.

By all means let us have all the machinery we can get. It will never supersede handwork, where that is of real value. On the contrary, obviating drudgery, it will free the ground for noble handicraft. That seems, to me at any rate, what would happen.

PHILIP T. KENWAY.

### INCENDIARISM.

Sir,—It may be of interest to your readers to know that a big fire held recently in the London Docks, which destroyed large quantities of spirit, is regarded with much satisfaction by practically all the merchants whose spirit was consumed. The authorities have given strict instructions that the public are not to be told that it is the general opinion of those employed in the docks that the fire was deliberately engineered. It commenced after the staff had left duty, all electric current had been switched off at the main, and the very security of the site assisted the flames, the firemen being unable to reach the fire until the keys had been obtained to unlock the heavy doors. The flames are believed to have been seen in two places at the same time when the alarm was given.

T. H. STORY.

### NEW GROUP FOR SAN FRANCISCO.

Sir,—May we use your columns to announce that the New Economics Group of San Francisco has opened an office and reading room at 447, Sutter Street, Room 625. We should welcome contact with all California readers of THE NEW AGE.

JEAN BURTON.

### THE LABOUR PARTY AND SOCIAL CREDIT.

Sir,—In the current *Labour Bulletin* enclosed is a reprint of a criticism of the Douglas Scheme first published "some years ago." I think in fact some ten to twelve years since; and as this also appeared in the *Bulletin* about 1930-31 it is evidently freely quoted as the Labour refutation of the Theory.

To a student of Social Credit the arguments merely show misconception and lack of comprehension, and are such as have been frequently dealt with in THE NEW AGE.

I should wish to draw attention to the statement in the second paragraph: "We hoped that we should have had the advantage of discussing the scheme with Major Douglas and Mr. Orage, but those gentlemen declined our invitation to give evidence."

I believe that this statement, by the omission of the conditions then discussed, is misleading as to the attitude of Major Douglas and Mr. Orage; and if this belief is well

founded I am in hopes that means may be found to take the point up with the journal in question.

May I add an amusing instance of the "official" Labour attitude to Social Credit?

The local party has recently arranged a series of lectures by leaders of the Socialist League ending in an address on "Agriculture" by Mr. Wise.

When question time came, the ex-secretary, a staunch and orthodox Labour man, rose and said, "The speaker has shown how we can increase production, but I am not clear as to how the purchasing power of the consumer is to be correspondingly raised. Would he explain this?"

"Aha," said Mr. Wise, "I think in this question I can smell a Douglasite!"

This caused considerable amusement, as I was the only Social Creditor there, and had at previous meetings suffered just the same mild ridicule which was evidently ready for the unfortunate questioner. Mr. Wise has decidedly caught the wrong fish.

After the meeting I rallied the secretary on having prepared the speaker to expect Douglas criticism, but he assured me that this was not the case.

It is interesting, therefore, to think that the mere mention of "purchasing power" should produce such an automatic resort to the manner, tone, and diction of the defensive strategy of ridicule.—Yours, etc., HEWLETT EDWARDS.

## Answer to Correspondent.

### AUSTRALIAN AFFAIRS.

M. (Australia).—We have received your letter and enclosure, which we are dealing with in the confidential manner you suggest. In the absence of your expressed desire to have an answer personally we have chosen to acknowledge your letter this way.

## Forthcoming Meetings.

### North-East Area.

The North-East Area are arranging a series of meetings in the district during the week May 14 to 20, which will be addressed by Mr. G. Hickling, of Coventry. The arrangements, so far, are as follows:—

May 14. Members conference at Headquarters at 3 p.m.

Open-air meeting Town Moor at 8 p.m.

" 15. Sunderland and South Hylton.

" 16. Newcastle.

" 17. Gateshead.

" 18. Hebburn.

" 19. Felling.

" 20. Cramlington and Stanley.

Correspondence to: North-East Area Headquarters, 4, Blandford-street, Newcastle-upon-Tyne.

### Cleckheaton.

West Riding Douglas Social Credit Association. Half-yearly meeting, Saturday, May 20, at 3 p.m., Central Co-operative Library, Cheapside, Cleckheaton. Reports, Central Secretariat, Northern Counties Conference, etc. All definite Douglasites invited. Inquiries to J. J. Taylor, Claremont House, Cleckheaton, Yorks.

### Brighton.

Lectures by Major C. F. J. Galloway, B.Sc., on successive Fridays, April 28, May 5, 12 and 19, at 8 p.m. at the Y.M.C.A., Steine House, Brighton. Admission free. Leading Brighton Councillors of all parties will be respective chairmen.

### Glasgow.

Glasgow Douglas Credit Association.—A further series of meetings will be held at headquarters, 160, Bath-street, Glasgow, each meeting commencing at 8 p.m. The next meeting will take place on Tuesday, May 23, the speaker being A. F. Stewart (Falkirk). His address will be on "The Coming Crash—Cause and Cure." Classes will be run every Monday evening at 8.30 p.m. (prompt), with the exception of Monday, May 22. These classes will be run in conjunction with the public meetings, and copies of the class syllabuses can be had from headquarters.

## Notice.

All communications requiring the Editor's attention should be addressed directly to him as follows:

Mr. Arthur Brenton,  
20, Rectory Road,  
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Post free, 6d. the set.

SET B.

Comprising:—

Set "A" above.  
The Veil of Finance (6d.).  
Post free, 1s. the set.

CREDIT RESEARCH LIBRARY, 70, High Holborn,  
W.C.1.

## The Social Credit Movement.

Supporters of the Social Credit Movement contend that under present conditions the purchasing power in the hands of the community is chronically insufficient to buy the whole product of industry. This is because the money required to finance capital production, and created by the banks for that purpose, is regarded as borrowed from them, and, therefore, in order that it may be repaid, is charged into the price of consumers' goods. It is a vital fallacy to treat new money thus created by the banks as a repayable loan, without crediting the community, on the strength of whose resources the money was created, with the value of the resulting new capital resources. This has given rise to a defective system of national loan accountancy, resulting in the reduction of the community to a condition of perpetual scarcity, and bringing them face to face with the alternatives of widespread unemployment of men and machines, as at present, or of international complications arising from the struggle for foreign markets.

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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