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EDITED BY ARTHUR BRENTON

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NOTES OF THE WEEK.

Thursday, October 29.—We can imagine Mr. Montagu Norman saying to himself this morning: "I don't know what the Opposition think of my Majority, but it terrifies me." The bankers have over-reached themselves. Not content with their power, noted by the Dean of Westminster, of being an "effective Second Chamber," they have gone out of their way to pack the First Chamber, and have succeeded too well. The electoral cargo which they started to trim has shifted with a heavy bang, and their ship lists at an angle of danger commensurate with the dimensions of their majority. The deck slopes so steeply that they are obliged to tie themselves to the mast on which they float their colours in order to prevent their sliding overboard among the sharks that are waiting for them. Even if they knew where to steer the ship she will now give erratic answers to the helm. They are in a devil of a mess, and they know it. Conversely the Opposition boat, tiny as it is, does float on an even keel, and only needs the right navigating-intelligence at the wheel to make rings round the high-financial leviathan, just as Sir Charles Parsons once did to British destroyers at Spithead when his flying *Turbinia* made them look like porpoises. Each member of the Opposition represents on the average 130,000 voters who, on some sort of reasoning—i.e., some exercise of some sort of intelligence—resisted the bankers' policy. Every member of the Majority parties represents on the average 26,000 blank minds stamped by terror-tactics into giving a blank cheque to political witch-doctors. The mere spectacle of an eleven-to-one majority-vote for exorcism is proof that the electorate are in the trance-state. Needless to say, we are delighted at what has happened, though momentarily saddened in reflecting what must be the feelings of the hundreds of thousands of good and true men and women who have staked their hopes and spent their substance during the last twenty-five years on building up the Parliamentary organisation which has now suffered such an overwhelming defeat. But let them not de-

spair. Their crucified hearts shall warm within them at nightfall. For they are on the road to Emmaus.

In the Old Testament there is a passage which runs: "In the times of their ignorance God winked." This referred to primitive times when man was obliged to acquire knowledge by personal trial and error—when he could only learn sense by making his own mistakes, and through experiencing their consequences to himself. But in this time when the ignorance of one man can plunge millions into trouble while he escapes, or even benefits, there is no question of winking any more. Our modern rulers of men, compassed about with a cloud of witnesses to past economic experience, and charged with the stewardship of a superlative scientific mechanism for effecting economic deliverance, can not hope for tolerance if they are ignorant, nor for mercy if, knowing, they neglect their stewardship. The Lord shall hold them in derision: He shall break them in pieces like a potter's vessel.

The majority, which the tellers of the financial monopoly have shovelled indiscriminately into the Treasury benches like coins into bags, are like "Prince Rupert's drops"—the tears produced when molten glass is poured into cold water. The sudden solidification causes so many internal stresses and strains that if one of these drops undergoes ever so little a rise in temperature or receives ever so gentle a knock, it flies asunder into microscopic particles. "This is my fortress," said the ancient eastern monarch, pointing to his army, "and every man a brick." But as the bankers look at their Prince Rupert's majority they have to confess to themselves that it consists of seven party-stresses and 555 personal strains. It had to be so. You cannot melt up the community in a manufactured crisis and pour it suddenly into the cold water of the ballot without destroying all coherence in their mandate and all cohesion among their mandatories. Take the largest section of the composite majority. Out of 608 seats in the new House the Conservatives hold 422, leaving 186 divided between all the other

parties. Thus they would have a majority of 236 even if the rest of the House united in opposition. In this fact the whole-hog Protectionists will see, and may try to seize, their opportunity. There may be a certain number of Free Trade Conservatives, but these would have to number 119 for their defection and hostile vote to give the Opposition a majority.

It is, of course, true that the bankers can have the last word on whether to have tariffs at all and if so what kind and size. But in exercising their authority they would have to exercise much greater discretion than they have needed to in the case of the two Labour minority Governments. Taking Mr. Ramsay MacDonald as representing (in theory) the interest of Wages and Salaries, and, let us say, Mr. Amery representing that of Profits, it was far easier for the bankers to get MacDonald to abandon his brief, because of the ease with which the Treasury could formulate and provide him with a plausible excuse for doing so, and also because of the certainty that they could get him to confuse plausibility with proof in regard to the necessity for the new policy. It must be remembered that Mr. MacDonald's comparatively recent public confession of his ignorance of finance disclosed a state of ignorance which the bankers have been well aware of since he first came into office. He, Snowden and the majority of Labour Parliamentarians who have held office come from an economic class in whose eyes the source of money is the employer's bank account. So the Treasury had only to prove (quite an easy task since the banks began their deflation policy) that Capitalism's banking balances were down to zero, if not below, to convince any Labour Cabinet of the futility of trying to maintain, much less increase, wage- and salary-rates. Add to that the fact that, convinced or not, the Labour Government was in a minority—which is to say that the Treasury commanded the majority in the House—and its failure to protect its clients, the "workers by hand or brain," was a foregone conclusion.

But now there is a Government in office so preponderantly Protectionist that on a free vote in the House tariffs would be a certainty. The task of the Treasury is to find a way in which to hold the Protectionist elements in leash by persuasive methods if possible, for although the banks can always go on strike as a last resort, the immense publicity given to the slogan "bankers' ramp" by both sides in the election has created an atmosphere of curiosity, if not suspicion, in which the coercion of Parliament will have to be exercised with extreme delicacy if exercised at all. Look at the Protectionist case. As Mr. Amery might put it: The wage and salary policy has had to be suspended because Capitalism's resources were proved to be insufficient to pay the desired rates: therefore it is vital, in the interests of the workers as well as the Capitalists, that something shall be done to replenish the coffers of industry: and in view of the prevailing and increasing unrest, the method of doing it must be one that can be adopted at once, and, when adopted, can produce immediate results: this consideration rules out the roundabout policy of trying to win back lost foreign markets by cutting down wages and dividends; for however plausible it might be on paper it will certainly not work quickly enough to avert the threatened breakdown in our internal economy: it is impossible to wage war simultaneously on competing capitalisms abroad and on disaffected workers and tumultuous workless at home. Against this the Free Trade reply, sound as it is within the existing financial frame of reference, would be regarded as

academic defeatism. To the Free Trade argument that in the end a protectionist policy leaves you where you are ("Look at America," &c., &c.) the Protectionist would answer: "We've no time to consider where we'll get in the end: we can't stay where we are; that's evident: and the only policy is to get where we aren't at once and see where we are afterwards. The driving force behind this argument consists in the fact that a solid section of industrial interest sees a profit in tariffs, and is able to justify itself in seeking that profit by representing it as a potential wage-fund as well as a dividend-fund. To the cynical objector it could reply: "At the very worst, supposing all the profit is collared by the capitalist; at least it will exist to be intercepted or tapped by the Trade Unions if they are strong enough to make him disgorge; whereas at present there is nothing to be tapped even if every employee in the country went on strike."

The Treasury, having suppressed Labour's wage-policy and having even cut wages into the bargain, without (as is bound to appear) having done anything to improve the financial position of either industrial employers, will be in the dilemma of either sanctioning tariffs or of recommending a third policy which will fulfil the requirements voiced by the Protectionists. The National Government, unlike the Labour Administrations, is free now from Parliamentary obstructions, and its friends and enemies throughout the country believe it can do what it likes. Its friends, hopefully and invitingly, will alike demand prompt action of a definite—even dramatic—character; a 500 majority policy. The country expects a circus, and at least it will be conceded that the Tariffers have got the only policy that looks like one. It is up to the Treasury to trump the Protectionists' showmanship if they can.

This brings us immediately to the international aspects of the situation. *The Times* Correspondents in Paris and Berlin respectively tell the same story of how the news of the Government's victory was received. Before discussing it, we must again call attention to the criterion of interpretation which our readers should adopt in respect of foreign communications printed by *The Times*. Briefly, every correspondent may be confidently taken to be a bank intelligence man—virtually an employee of the Bank of England. The fact alone that *The Times* is presided over by a sort of Watch Committee of which the Governor of the Bank of England at any time is, *ipso facto*, a member—and the only member trained in economic affairs—is sufficient evidence for this hypothesis. If any more is wanted it can be found in the literary structure, style and tone of the messages that are received from them—for, when they (or purport to be received from these correspondents) come to reflect on the subject, there is no evidence to exclude the hypothesis that these messages, or some of them, are concocted in the country of destination!—but this is a minor point at present. Readers will remember the Australian cables and articles in *The Times* earlier in the year, the structure of which was obviously the work of people who were at home with financial idiom, vocabulary and prejudice. Also, in regard to foreign newspapers of equivalent calibre of *The Times*, it will be as well to assume each of these to be attached unofficially to the central-bank of its country. In regard to the election, how else is *The Times* correspondent in Paris able to cable under date October 28, what is the "French opinion" on the result, which was not fully established until the evening of that day? If someone answers that the overnight results of October 27-28 afforded sufficient basis for opinion

to be canvassed by the Correspondent during October 28, we will grant the point, but will suggest, all the same, that they were canvassed in financial quarters, and indicated not what the French people were thinking but what interpretation the French bankers were preparing to offer to them. Strictly speaking, this "French opinion" was not waiting for the result in order to be able to interpret it, for *The Times* Correspondent states that "full" and "very well informed" reports had been appearing in the French Press explaining the meaning of the contest, and were "full of appreciation for the manner" in which it was being conducted. Quite so. The French Correspondent in London who sent the reports was a virtual employee of the Bank of France, and he got the material from the Bank of England, directly or indirectly. Now comes the turn of Montagu Norman's man in Paris, who cables back as "French opinion" a paraphrase of Norman's camouflaged instruction to the French newspapers. He says:

"A large section of French opinion is inclined to see in it [the result] rather the victory of sane finance over extravagance, and of responsibility over incompetence, than the triumph of a political dogma."

This paragraph could be matched almost verbatim in almost any of *The Times*'s leading articles during the fortnight before the election. Its publication now is a trick on the part of Finance to get the British public to read their own mandate as meaning what the bankers want—namely (a) balanced Budgets ("sane finance") (b) bankster-administrators ("responsibility") ("political dogma"). This message is in effect a veiled hint for those who can understand it, that the Bank of France and the Bank of England are prepared to co-operate in making the National Government observe this mandate. Similarly in the case of Germany and the Reichsbank. *The Times* Berlin Correspondent was able to find out on October 28 that—

"the majority of Germans find it all to the good that a Government sure of itself and of its purpose will hold power . . . and the bulk of comment concurs that she should now regain without difficulty her place and influence in the councils of the world."

This is an adroit statement of Reichsbank views. It seeks to suggest that what our electors wanted was for London to "regain its place and influence" as a world-banking centre. There is no mention in the passage of British industry regaining lost markets. The "majority of Germans" would not find that so much to the good.

As for the most important foreign opinion of all—that of the United States—*The Observer* is the authority. We like to spare our readers' patience as much as possible, but we recommend them to study Mr. Garvin's impassioned oration of last Sunday very closely—in fact, letter by letter, from the initial "h" of the first "hee-" to the final "w" of the last "-haw." Although he brays British, his over-tones, suggesting the picture of an Irish ass fed on American thistles. Just as, when *The Times* when *The Observer* calls, listeners may reasonably assume that Dr. Sprague is going to give a little talk. Let it be plainly understood that we haven't the slightest suspicion of Mr. Garvin's integrity, nor are we attempting to sow any. He is intoxicated with the "Lotos-Land," "intertwining," vision of an English-Speaking Utopia, which he expects to realise by the dissemination of uplifting rhetorical

formulæ. He is unwittingly lulling his readers into a false sense of security. He is preaching political peace between the two countries when they are in the throes of implacable economic warfare.

Can anyone in his senses believe for a moment that informed *capitalist* opinion in any foreign country can be anything but hostile to the rehabilitation of British industry? Even *The Times* Correspondents whom we have been discussing are wide-awake enough to refer in their cables to the disquietude of the industrialists in France and Germany at the dominating Conservative-Protectionist character of the National Government. Cannot Mr. Garvin take his eyes off the dangling carrot for just an instant to watch his hoofs. Here is his superior, Viscount Astor, inviting (as he did at the Lotos Club séance) Mr. Owen D. Young into European counsels—Mr. Owen D. Young, whose industrial policy for United States capitalism involves a new dumping-campaign to place U.S. exports in the markets of Europe and markets served by Europe. The "great victory of the Nation," as it is called, has impaired confidence in the mind of every instructed foreign industrialist, whether employer or employed; and the only interest whose confidence is restored is the international financial monopoly. The only real fruit of the "victory" is the preservation to Finance of its immunity from political interference. The enormous majority given to Mr. MacDonald reflects the fact that the sector of the International-Financial front held by Mr. Montagu Norman's troops looked like being thrust back and that Harrison, Sprague, Shacht, and other foreign central-bank generals sent reinforcements and stiffened the line to prevent encirclement. This concentration of overwhelming force in the Norman sector was not necessitated by the nature of the threatened attack—which, as our readers know, was stupidly conceived and badly organised: ("General" Henderson and "Gallop" Elias with *Daily Herald* despatches—ha! ha!): it was a manoeuvre to discourage any person or persons from nursing the hope that any other scheme and mode of attack could succeed. Thus, listen to Mr. Garvin—and this, by the way, proves his innocence and guilelessness:

"The Trades Union Caucus attempted the General Strike and challenged this General Election. While that junta aspires to master Government, Parliament, and the Bank of England, the nation will smash it every time. The Labour Party will revive rapidly when it gets this lesson by heart, but not before." (Our italics.)

Notice that Mr. Garvin places the Bank of England third—evidently assuming that Trade-Union "mastery" of Government and Parliament involves mastery of the Bank of England. But it is untrue to say that either in 1926 or in 1931 the Trade Unions aspired to master any institution: in each case they resisted the withdrawal of a subsidy and the reduction of wages. As students of Social Credit will know, they were *unwittingly* obstructing the Bank's policy of withdrawing credit from circulation and destroying it, over the heads of the Government and Parliament to whom the credit belonged as trustees for the population (in whose skill and activity all the virtue of credit resides). Notice again that Mr. Garvin places in the same category of moral obliquity the attempting of a strike and the challenging of an election. This is to say, even constitutional resistance to something the Bank wants to do is unconscionable! If you ask electors to return a Government representing your opposition to the Bank's procedure you are trying to "master Government and Parliament"! Apparently Parliament is only free when it takes instructions from the Bank. Now, that's enough about Mr. Garvin and his thistledown ecstasies. He's a prize ass. ("And we tell you, bo,

before long that guy's sure going to be a surprised ass—and we do not say 'may be.' No, Sir!")

We referred just now to the compact nature of the present small Opposition. When poor Tommy Lipton failed in his last attempt to beat the dollar-yacht, a body of enthusiastic American admirers of the gallant old man proposed to have a whip-round and build him a real slap-up yacht to win with. Similarly dollars having bought the Parliamentary majority dollars will now be spent on financing the minority. We do not mean that the Labour Opposition need expect to receive any cash, but that they will probably be reinforced by allies. *The Times*, *Observer*, and other papers are sounding the note: Now that Labour has been decisively defeated, let us all be friends. Exactly. For whereas Labour, as an opponent of dole-cuts, was the bankers' enemy, Labour, as an opponent of tariffs, is the bankers' ally. The foreign Correspondents of *The Times* are relaying Norman Sprague soft-soap from Paris, Berlin and elsewhere, saying how impressed the foreigner has been by the calmness and good temper with which the electoral controversy was conducted. This is obviously intended to be construed as a certificate of gentlemanliness to the Opposition, holding them out to be people with whom no Liberal or no Free-Trade Conservative need be ashamed to ally himself in the event of the Protectionists on the Ministerial side showing a disposition to run amok. This flattery is all eye-wash. The Opposition, as it is at present, is far more concerned about wages and doles than about tariffs; and it is quite certain that their constituents voted for them on that understanding. Now, out of this small band of fifty must be selected a leader as the Leader of the Opposition; and, he will fulfil a function and enjoy debating privileges almost as important as that of the Prime Minister. Who is it likely to be?—Lansbury?—Maxton?—Wallhead?—Cripps? That is not a pleasant prospect for the bankers, is it? So how much safer it would be if, let us say, Sir Herbert Samuel crossed the floor of the House with a band of, say, sixty or seventy followers, swamped the Labour Opposition, and became the official Leader of a Free Trade Opposition. This would "restore confidence" on Wall Street; and Harrison and Sprague would be ready with any kind of support Norman required supposing he was provoked by the obstinacy of the Protectionist majority into carrying out the threat once made by the *Financial Times*—to "upset the whole fabric" of the Protectionist-Government finance by "refraining from renewing Treasury Bills." The point of this speculation is that already the gossip-writers in the London Press are hinting at Sir Herbert Samuel's becoming Leader of the Opposition and the alternative Prime Minister.

Pressure on a Protectionist Government can be mobilised abroad by Finance through the League of Nations or by an extension of Mr. Bernard Baruch's scheme for a National Council of Industry and Commerce—i.e., an international Council acting under the auspices of the Bank for International Settlements. The *News-Chronicle* of October 31 states that the Economic Committee of the League of Nations has now decreed against control and restriction of trade between nations. Mr. Thomas Lamont, Mr. J. P. Morgan's partner, has started to bully American Capitalism for holding on to high tariffs while insisting on the repayment of American debts. When will they see sense, he asks, and realise the irreconcilability of these two policies. Their answer would be, if they knew it: "As soon as we are freed from nonsensical financial doctrine and control which bids and makes us try to do opposite things at one and the same time." Whose fault

is it that imports representing foreign debt-repayments are the occasion of bankruptcy and unemployment in the country of the creditor? Do American banks compensate American manufacturers whose home markets are captured by foreign competitors? Or do they say to them: Because your factories are idle you shan't have any dollars to set them going? The fact is that international tariff-quarrels are the direct product of an international finance compact based on an inhuman policy and an unscientific technique. Whether the technical error is persisted in for the sake of the policy, or the policy because Finance is unaware of the error, is of no moment compared with the established fact that the error exists and its consequences unavoidable so long as it persists. (By the way, what has happened to the promised issue of the *Evidence before the Macmillan Committee*? Or does the new Government consider that the electors have given it a mandate to suppress it?)

For the moment the task of the Prime Minister is to choose his Cabinet. The proper method of choosing it, according to the recommendation of *The Times* of October 30, is that Mr. MacDonald should take a complete rest over the week-end and shut his door to all advisers. By Tuesday (since passed) Mr. Norman and Dr. Sprague will let him know the names of the successful applicants. "He watching over Israel slumbers not nor sleeps"—which is to say, Cabinet or no Cabinet—the permanent officials of the Bank and Treasury carry on the King's Government.

Current Political Economy.

The day after the poll an English middle-class woman thus addressed another: "I hope, my dear, that you voted for the nation?" The other replied that of course she did. That England won a famous victory was acknowledged all over the world. A Boston friend of Mr. W. L. Tweedy, president of the American Chamber of Commerce in London, cabled congratulations. Sir Walter Layton, editor of the *Economist*, as guest at an American Chamber of Commerce luncheon in London, thought that "the election would help in steadying the world situation." The nation has been saved, saved from Bolshevism, from Socialism, from the bogey-man, and from itself. There can be no doubt of the fact that millions of solid, hard-working, patriotic Englishmen read the election results with a sigh of relief, as if some unknowable yet terrible threat for the had been driven away. A less majority still would have released an even more violent hysteria. The psychological features of the English people during the election were reminiscent of the supporters of the National Government was inspired by the same psychic conditions as brought forth the propaganda against German Kultur, the Huns, the violation of Belgium. In the same state of mind the Russian conceived of the angels at Mons, of the Russian hordes disembarking in Scotland and which barking at Dover. The Government has been called for a "doctor's mandate" which has given a support beyond what it could have gained by means of a clearly defined policy. It has been given the credit for magicanship as the country bag gives it to the doctor with his mysterious black bag. The people of the nation, in short, have completely handed over to the Government the responsibility for dealing with an incomprehensible, ominous situation. The people have rendered unto Mr. MacDonald and his future Cabinet a power of attorney over them.

The Government, then, has been treated as the nurse of the people's childhood, whom, in night-terror, it cries for, rather than the efficient hospital nurse it refuses to have at the bedside. The Government has a mandate to do anything which would bring about prosperity. It is the Government which bankers, industrialists, merchants, Chambers of Commerce, all significant persons, wanted. Because it was elected in fear it has an enormous responsibility, for which it is fully equipped as regards its majority, which is, of course, totally disproportionate to the total of the votes cast for it. Its failure cannot disillusion the enormous mass of voters who stood by the Opposition even in its total bankruptcy of personality, ideas, and policy. They are completely disillusioned. The Government can disillusion only those who have trusted it, who have, in their panic, removed every obstacle in the way of the Government doing all that it wants to do.

The Government has no policy meet to such a mandate. It has, politically, only one plank of policy, namely, protection, which is far from enough to make a bridge; and about that one it is not unanimous. On the questions of finance as they affect the most strongly "protected" countries, it still has its policy to formulate: whether it will again break its teeth trying to restore the gold exchange, or whether it will extract from the Macmillan Report, its own as yet silent left-wing, and waiting foreign opinion, some reform of international exchange. On the fundamental question, the financing of consumption by direct credit issue at the "expense" only of the National Credit Account, the National Government shows no glimmering of understanding or sign of inclination. Consequently, although protection may enable it to postpone the people's recognition of the total failure of the saviour of the nation, total failure is inevitable.

The protectionists are as shortsighted as the traditional Englishman who refused to learn a foreign language because anybody meant by God to do business with him would speak God's own language. The English capitalist believes that the English market must accrue to him provided he can tax foreign manufactures. The English banker believes that his international banking business can be rendered sound again by cutting down imports, whereas it could only be revived by an increase of exports. His affair is of little real concern, however, the manufacturer's of more. Already Swedish, French, German, American firms are looking for sites for factories to supply the English market from within in anticipation of protection. It is acknowledged that the construction of these factories would absorb a certain proportion of the British unemployed. But these factories would be of the most up-to-date type, rapidly competing in the British home market with all existing industrial plant, and depreciating its relative value. Every such factory which succeeded in effecting sales at a profit would withdraw purchasing-power from existing industry, and would have to credit the foreign financiers with its profits, thus creating foreign obligations similar to Germany's. The net result is an ever-increasing obligation to import nothing, and export "debt-repayment"; to reduce the home standard of living to the barest minimum in order to gain access to increasingly impregnable foreign markets.

Protection, in brief, is based on the assumption that all that is wrong with the world is the faulty sharing-out of existing markets. Its advocates profess to believe that if part of the existing home market is closed to foreign growers and manufacturers that at least England's affairs can be set right. In the effort to accomplish this the protec-

tionist not only tries to close part of the existing English market to the foreign manufacturer and grower, but to destroy that market by lowering the standard of living. Since what is truly wrong is that the total market of the world is vastly less than the power to supply it, and vastly less than human need, the protectionist policy, while it may produce an apparent barometrical change by somewhat reducing the statistics of unemployment, can bring about no relief whatever in the world situation; and must ultimately worsen the national situation. Some regulation of the exchange of produce and materials among countries may be necessary under the best practicable system. Protection, while leaving the present effete financial system in theoretical operation, is the worst possible resort. It is significant that when a nation lends to another it takes charge of the debtor's customs and excise machinery; conversely, the erection of tariff-walls is an incitement to the foreign investor to export his capital to the country which taxes his merchandise. The extra wages paid for the building of new factories are spent on the consumption of the existing product, and the debtor country is subsequently faced not only with the task of collecting the uncollectable cost of the factories in the price of its future products, but with the additional task of remitting those uncollectable costs abroad. All that protection, therefore, can bring to any country, as is evident in protectionist countries, is at the best more work and less wealth. And since work is a declining requirement and wealth a more plentiful rain, the world-position, including the national position, can only be made more acutely chaotic.

The idea of a "managed currency," in spite of Messrs. Keynes, Cole, and the Macmillan Committee, is based on similar erroneous assumptions to those underlying faith in protection. The "managed currency" is dependent for its circulation on production for the existing world-market; on the assumption that exchange between nations is independent of distribution to individual consumers; and, finally, on the foolish idea that unregulated prices are a valid standard for regulating the issue of purchasing-power through producer-channels. The methods of "managing" a currency within the total framework of the existing financial conventions are limited. It can be done by lowering the bank-rate in face of a fall in prices. In that event, further loans must be in respect of further capital or commodity production, and can thus relieve the present only by congesting the future market. When the bank-rate is raised because of a rise in prices, it can merely hinder that capital development which is the way, if scientifically exploited, to leisure and ease for all. Methods of "managing a currency" proposed thirty and more years ago were a little better. In the event of a falling price level, the Government of the day was to have the duty of spending on the construction of public works, thus adding to demand without adding to supply. In the event of a rising price level any possible method of reducing purchasing-power, from taxation to increased bank-rate, was considered legitimate. The same faults are thus evident. A rising price level, which only indicates that the power to produce goods is increasing faster than the actual production, is regarded as a signal for stopping the increase, enough in itself to demonstrate that the problem has been tackled from the wrong end. Until demand is financed out of national credit, and prices regulated so that the total commodity available, if needed, can be consumed, all methods of reform must defeat themselves.

The plight of the Opposition, as a result of the events of the last week, is such that even the Opposition ought to begin to think. "Many people,"

Bertrand Russell said, "would rather die than think." The Opposition, applauding this sentiment, has exemplified it. The number of its members elected to the new Parliament brings the Labour Party back to the position it held in the early years of the twentieth century. Then, however, it had risen to that position. It saw a brighter, indeed, a triumphant, day ahead. Now it has been degraded to that position, after a period of office without power, a policy without distinction, leaders without prestige, and advisers without ideas. Its supineness on all planes threatens to cause the defection of its most vital members, despairing, to the Communist Party. The Labour Government in office was the Punch and Judy show of the bankers, with MacDonal, Snowden, Thomas, and others in the leading roles. Out of office it has certainly attacked the bankers. But apart from orthodox interpretation of events preceding the discharge of the Labour Government, the Labour members have shown no grip of the subject of finance, no faith in any policy whatsoever, no enthusiasm for a new effort.

If now the Labour Party merely waits for reaction, merely stands by until the present Government brings about disillusionment, it will fail as miserably again. The Labour Party has now leisure and opportunity to examine the medium of distribution and exchange with the object of its reform; of making it fit the magnificent producing-mechanism built up by Capitalism under conditions of trial and error and bankruptcy; of ensuring the common inheritance for all without dispossessing the uncommon inheritance of the lucky or industrious few. The promises and Utopian visions of the Socialist Parties before they accepted Parliamentary responsibility were such that it is doubtful whether Labour could profit politically from mere reaction. It has to acquire a policy or face gravely the prospect of dissolution.

A. N.

Review.

Outlines of Central Government, Including The Judicial System of England. By John J. Clarke, M.A., F.S.S. Fifth edition. (Sir Isaac Pitman and Sons, Ltd. 268 pp. 5s. net.)

This book comes to hand at an almost magically opportune moment. It is indispensable to every advocate of Social Credit who is searching for the best lines of action to take within the limits imposed by the existing regime of centralised government. In this book every wheel in the mechanism of centralisation is named and described clearly and concisely. It is divided into ten sections under the following heads: The King and the Houses of Parliament: The functions and machinery of Parliament: The Ministry: National defence: The Empire and India: Local Government Departments: Development of national resources: Departments of public utility: Miscellaneous Departments: The Judicial system of England: and—last, but over all—*Public Finance*. This last section comprises chapters headed as follows: General view of the financial system: Classification of public finance: Financial administration: The methods of raising the necessary revenue: Control of national finance: and, National Debt. The book ends with a bibliography covering twenty-one pages and an index covering twenty-four pages and containing about 2,500 references. We are inclined to the view that just as "Economic Democracy" is the ultimate guide of those who propose to say something for Social Credit, so is Mr. Clarke's book that of those who propose to do something for Social Credit. Of course, the latter is a negative guide, but none the less valuable for that: it tells you what you can do by telling you what you can't—or, shall we say, mustn't? It shows you the strength and dispositions of the bankers' defences, and therefore sizes up for you the nature of the job you have to tackle to get past them. We have now said sufficient. Buy this book. No one who lacks the knowledge which it offers is qualified to assist in the strategic counsels of Social Credit leadership which imminent events will thrust upon the Movement.

The Films.

Carnival: Tivoli.

I approach a film directed by Herbert Wilcox in much the same spirit as one made by Alfred Hitchcock. Both men have imagination and a very genuine desire to produce something better than the average British picture of commerce; both have some noteworthy work to their credit; and both have until now always missed making the really good picture that one continues to hope they will make one day. "Carnival," based on the stage play and not on Compton Mackenzie's novel, is neither a good film nor a bad one, although I imagine it is likely to be a box office success. It begins with some Venetian sequences that arouse a hope that most of the rest does not justify. There is some magnificent photography, including fire-work pictures; F. A. Young's camera work calls, in fact, for special and honourable mention. But in general the film has all the characteristic mannerisms and defects of which Elstree must rid itself if the British cinema is ever to be taken seriously as an art form. The speech is on occasion maddeningly slow, the acting is stogy, and the whole production belongs more to the theatre than to the screen. Matheson Lang again demonstrates that the cinema is most essentially not his medium; Lilian Braithwaite also indulges in mannerisms that are completely out of place on the screen; Chili Bouchier (now officially re-christened Dorothy, which happens to be her name) a young actress whose promise I noticed in the days of silent pictures, might have been provided with better material. "Carnival" is essentially melodrama, and our directors have yet to grasp the obvious fact that melodrama should be played quickly.

Once again, Mr. Wilcox is to be congratulated on his flair for showmanship. He utilised the occasion of the Schneider Trophy Contest to give the first world première of a film on an Atlantic liner, and to "Carnival," which was privately shown last Thursday in the ballroom of Dorchester House, belongs the distinction of being the first picture to be given its première at a hotel.

Devotion.

When will film producers realise how ridiculous they make themselves by the unrestrained use of superlatives, mainly of repetitive and unoriginal nature? This picture, which is based on Pamela Wynne's novel, "A Little Flat in the Temple," is described by its makers as "Miles away from the beaten track of to-day's motion pictures . . . a picture of indescribable charm . . . romance with understanding and an astounding chord in every human heart . . . a new era in clean, wholesome screen entertainment." And Ann Harding, a finished and charming actress, but no genius, comes "The Queen of the Screen," and "The Royal Lady of Romance." If I quote these blurbs it is because no one is entitled to make such extravagant claims unless he delivers the goods, and "Devotion," although quite good, if uneven, entertainment, is just an ordinary talkie. As is so often the case on the screen, the director never seems to make up his mind whether he is aiming at comedy or farce, with the result that he tries his hand at both, and thus fails to achieve a balanced result.

As an American-made picture of English life, "Devotion" is, on the whole, free from anachronism. But I should be interested to know in what part of Bloomsbury such spacious drawing-rooms are to be found, and also the location of the "Plaza" Restaurant in the West End of London. This film has not yet been shown to the public.

and at the time of writing I have not been informed where and when it will be exhibited.

This Week's Films.

"The Blue Express" is in its third week at the Academy, where it has been retained owing to its extraordinary success. When will commercial managers realise that a really outstanding film may also be a box office attraction? "Carnival," reviewed above, is at the Tivoli, and the Stoll has an unusually strong programme, composed of Chaplin's "City Lights" and George Arliss's "The Millionaire." It is interesting to note that the stars in both these productions are Englishmen, who have incidentally both refused to conform with the standards of Hollywood. "The Road to Singapore," with William Powell and Doris Kenyon, is at the Regal, and "Alexander Hamilton" continues at the New Gallery. DAVID OCKHAM.

Music.

Egon Petri.

The glorious and uniquely incomparable artist was not quite up to his usual form in the opening Mozart group of his programme—the Fantasia in C minor and the C minor Sonata—there seemed a hint of nervous exacerbation in the playing that was unlike the usual masterful serenity, but this only made itself felt in the Mozart, the least important and interesting musically in a wonderful programme, the austere classicism of which would have been as unbearable as it would have been beyond the reach of any other pianist. The fashionable frenzy for Mozart is one that I do not in the least share, while the exaltation of him above Bach and Beethoven that is customary in certain circles I find frankly ridiculous. The formal perfection of his music, of which we hear so much, is only *one sort* of formal perfection, *his sort*. His music is no more paragonously Olympian on that account than that of the master of any other sort of form, Beethoven's later Sonatas and Quartets, for instance, Bach's movements in the B minor Mass, the Acts of Wagner's music-dramas, Wagner's music-dramas themselves, in fact, or Mahler's Symphonies or, later still, Sibelius's. Indeed, in the light of these things, Mozart's formal symmetry and perfection appear as a very primitive and naive concern, and the cramped mechanistic nature of his rhythms, his restricted colourless harmonic expression compared with the flexibility, variety, subtlety, and richness of Bach in both of these matters make more than a strictly limited allowance of him quite intolerable to a good many of us.

The authentic Petri emerged in two wonderful performances of the last two Sonatas of Beethoven. These intricate, recondite, yet laconic works, so akin to the later Sibelius in the startling directness and abruptness of their transitions, and the amazingly triumphant daring with which the older conceptions of Sonata form, are not so much shattered to bits as fused and run on often into a wholly new shape, received an exposition so masterly, so intellectual, yet at the same time so richly yet soberly coloured, in an ambience of such philosophical calm and nobility, transcending because only it has so utterly absorbed, transmuted, and transformed them, all merely and specifically human (how often, oh dear! altogether too much human) emotions, that the whole took on, as a clever and penetrating friend of mine so well and aptly put it, the high significance of a great Rite—the exposition of religious Truth by a divinely inspired Priest. And the climax of Opus 110, that marvellous fugal movement, had a majestic, serene stateliness, a breadth of splendour, sheer grandeur of expression that was more like the stupendous orbits of the stars than

were human music making. This is interpretation at its supreme greatest, and no one living but Egon Petri is at this moment capable of reaching those rarefied heights.

The programme closed—and who but Petri would have either the intellectual staying power or vitality or nervous force to follow up two such performances with them—with the Goldberg Variations in Busoni's magnificent adaption. Here Busoni with his lofty and magnificently daring intelligence so emancipated from the pretty *bourgeois* prejudices of textual purists who in their ignorant obtuse and destructive fidelity to what they conceive to be the letter, utterly deform the spirit and distort the significance, has seen how inadequately this harpsichord work of Bach so absolutely imbued as it is with the idiosyncracies of the instrument-ornament's live manual writing mutation and coupler devices, is bound to emerge when played upon the piano unless some clever and brilliant substitution is made for all the devices which the harpsichord possessed and which the piano does not. He has done his work as only Busoni could. The result, of course, is of breath-taking magnificence—such insight, such stupendous skill, such consummate taste yet daring, such absolute grasp of the Bach spirit were only possible to genius such as Busoni's, and only possible *now* in performance to genius such as Petri's, and no more can be said of that than that it was Petri at his greatest, an experience unique and not to be repeated except by Petri himself.

And unlike others who as extra numbers would have dished up mere virtuoso hack-pieces played in the merely virtuoso hack manner, Petri, in order not to spoil the train of thought set up by the Goldberg Variations, continued this in live magnificent performances of Bach-Busoni chorale preludes, finally closing with his own brilliant adaptation of an obscure or comparatively obscure work of Bach—3 Minuets—between each of which returns the first of the three, each time in fuller treatment, the whole done with that consummate discreet mastery that one would expect from the authentic heir and inheritor of the Busoni tradition—a gem alike of transcription and performance. It is to be found in the twenty-fifth volume of the complete *Klavierwerke* in the *Busoni-Ausgabe*, published by Breitkopf and Härtel, of which a number of volumes are edited by Petri himself. KAIKHOSRU SORABJI.

NOTICE OF MEETING.

DOUGLAS CREDIT ASSOCIATION: GLASGOW MOVEMENT. A public meeting will be held in the Christian Institute, Bothwell-street, Glasgow, on Tuesday, November 10, at 7.45 p.m., during which L. Mailey, Esq., will give an introductory talk on the Douglas Social Credit Proposals and the New Economics. All interested are cordially invited to attend. Questions. Collection.

MODERN METHODS OF PRODUCTION. Kibbo Kift Film-Slide Lecture.

New AGE readers and their friends are invited to attend a lecture at the Kingsway Hall on Wednesday evening, November 18, at 7 o'clock. The lecture will be illustrated by projection on the screen of seventy specially prepared film-slides showing modern methods of production and their film-slides showing modern methods of production and their labour-saving efficiency. This will be followed by a short exposition of the Kibbo Kift "New Model." Opportunity for enquiries will be provided after the close of the meeting. Arthur Brenton, Editor, THE NEW AGE, has accepted an invitation to preside at the lecture, which will commence at 7.15 p.m.

"BRANCH NOTES."

A magazine that supports Social Credit, the latest work of the satirist and economist, Eimar O'Duffy, commenced with the September issue, and is appearing in serial form under the title, "The Economic Middle." Back numbers are still available to subscribers. The annual subscription is 3s. 6d. post free.

"No Excuse Now."

A REVIEW OF THE GENERAL ELECTION, 1931.

By John Hargrave.

First National Voter: "A regular landslide, eh?"
Second National Voter: "An absolute miracle, my boy!"
First National Voter: "Well, there's no excuse now!"
 —(Overheard in a well-known Conservative Club,
 London, October 27, 1931.)

The total electorate at this General Election is given as 26,978,100.

The total votes polled (excluding Inverness, the Western Isles, London University, and the combined English Universities) was 21,399,185.

Thus, there were some 5,000,000 non-voters. Of these, 2½ million must be taken into account as having no chance to vote in unopposed returns in 67 constituencies. There were, therefore, round about 2½ million voters who could, but who, for one reason or another, did not cast their votes. This figure includes all those who spoiled their ballot papers.

At the last (1929) General Election there was practically the same number of non-voters; about five million.

What was the main issue upon which this General Election was fought? As Lord Grey reminded us on the eve of the poll, it was not fought on a fiscal issue; it was not a question of *Tariffs v. Free Trade*.

The viperous little *v.* did not enter into the contest—and therefore there was no real contest. "There must always be two to a kiss," and there must always be two to a fight.

There were supposed to be two to this fight—"National" *v.* Labour—but, as I think my *One Big Union* (NEW AGE, October 22, 1931) clearly indicated, in reality there was no opposition to the bankers' ultimatum:—

"BALANCE THE BUDGET!"

Henderson's Labour Opposition agreed with the "National" Government that the Budget must be balanced. It was only a question as to whose purchasing-power should be docked, and in what proportions. Labour lost because Labour did not fight.

This being so, the stampede developed inevitably along the lines of mass psychophobia, or crowd fear.

In its positive form this fear was summed up in the words:—

"RESTORE CONFIDENCE."

Its negative form found the words:—

"KEEP THE SOCIALISTS OUT!"

The root of this fear was a perfectly honest belief that confidence in British financial stability had been shaken abroad. It had been shaken because the Budget was not balanced. The Budget was not balanced because of the borrowings to maintain unemployment benefit when the unemployment insurance fund was exhausted. This situation could only be remedied by drastic "cuts" in pay and heavier taxation on the basis of:—

"EQUALITY OF SACRIFICE."

Protective tariffs here and there, applied as required, might help. We are bound to notice that what began as a strong *Tariff v. Free Trade* conflict was rapidly transformed into a *Confidence v. No Confidence* stampede. As the polling day drew nearer tariffs were either forgotten, or deliberately put aside and kept well in the background. The whole struggle on the eve of the poll had reduced itself to a simple psychic terror lest the £ should follow the collapse of the German mark. It was not a struggle against the Labour Opposition. It was a struggle against the ordinary British mentality that is slow to panic. "We don't want to vote, but by jingo if we do!"

It will be impossible to understand the overwhelming "National" victory without first understanding the difference between a struggle of ideas (as, for example, *Tariffs v. Free Trade*) and the spread of contagious magic.

It is one thing to say to the electorate, "We stand for Toll Gates—They stand for Free Highways," and then for each side to give its reasoned arguments for and against. That is, or can be, a struggle of ideas.

But if one side says, "We hold Magical Powers! We can heal the sick! If you return us to the Ju-Ju House we shall bring rain—we know how to perform the rain-making ceremony! But—" (here follows a form of magical threat)—"if you send *Them* back to the Ju-Ju House your cattle will swell up and die, your blood will turn black and dry up, your bones will crumble to powder, the rain will never come again, your homes will be struck by lightning, and your wives and children will be stricken with loathsome diseases," that is the laying on of a spell, a *taboo*. Now that is exactly what happened. Assertion is always stronger than argument.

No section of a modern community is so liable to be swayed by the (perhaps only half-believed) idea of the power of lucky and unlucky numbers, omens, charms, and magical formulæ as its womenfolk. It is only necessary to examine a bookstall to be convinced of this. Every editor knows it. No paper catering for men and boys would sell if it contained the *Fortune Telling Features* so amazingly popular in most of the cheaper publications with large circulations catering for women and girls.

In war-time women are far more frantically "patriotic" than men. Their response to the war atmosphere (that is, to mass suggestion) is more extreme in its emotional hysteria; in some cases to the point of easily recognisable hysteria.

The response of the women to the "confidence" scare in the General Election was probably one of the decisive factors in giving the "National" Government its enormous poll.

The driving force in this election was induced mass fear. This fear began at the financial apex of the social pyramid and spread downwards.

The financial system is faced with a contradiction at the core of its operations. Therefore, at this point, there is a very real fear of collapse.

This fear was communicated to Parliament in the form of a polite but firm piece of "advice":—

"YOU MUST BALANCE THE BUDGET, OTHERWISE . . ."

That advice, which was in effect an ultimatum, produced the political panic that broke the Labour Government and created the "National" Government *pro tem.* (August 25). This stop-gap Government proceeded at breakneck speed to balance the Budget (on paper) by means of Orders in Council. At about this time came the two words that shook the nation's faith in the banking system:—

"BANKERS' RAMP!"

Then followed the naval semi-mutiny at Invergordon (September 12-13).

It now became clear that government by Orders in Council was becoming more and more impossible. There was a growing feeling of revolt and a loss of confidence on the part of the general public in the stop-gap Government. The cry of "Emergency!" and "Crisis!" repeated day after day resulted only in mass depression; a psychic state in which the words "Bankers' Ramp!" ripened and seeded themselves far and wide. Invergordon came as a sharp warning to have done with government by Orders in Council—a dangerous extra-constitutional precedent to establish for any length of time. More normal methods must be used. The "crisis" must be explained to the electorate. Therefore, on October 7, the stop-gap "National" Government was dissolved, and a flood of General Election propaganda began, the main burden of which was:—

"VOTE NATIONAL AND RESTORE CONFIDENCE!"

This great propaganda campaign—not, be it noted, on any programme, but simply and solely on "a free hand," "a doctor's mandate," to restore confidence by voting "National"—culminated on October 27 in an overwhelming majority for the "National" amalgam.

We now have to account for this astonishing turnover of votes that has all but wiped out the Labour Party and given the Conservatives the whip hand. Something like a majority of 150 or 200 might have been expected, but a majority of nearly 500—with the Labour strongholds of the industrial North voting almost solidly "National"—needs explanation.

The key-word of this General Election is the word "confidence," and we shall only understand the extraordinary result of this election if we concentrate upon this word and the idea underlying it.

The word itself (*L.*, *confidentia*, faith or firm trust; in *fides*, faith) refers in this instance, of course, to the faith or trust of foreign financial interests in Britain's ability to pay her debts.

Credit, as every reader of this review knows, is faith—confidence—trust. Confidence is faith.

This credit, this trust, this faith, was said to be shaken because we did not balance our Budget.

The argument put forward was that people abroad (especially U.S.A. bankers) were beginning to lose, or had already lost, faith (confidence) in our ability to pay our way. They saw that we failed to balance our Budget and became alarmed. Alarmed about what? About not balancing the Budget?

It is obvious to any serious student of affairs that the slogan "Balance the Budget!" has no more to do with this financial world war than "Poor little Belgium!" had to do with the military world war of 1914-18.

Notice.

It is significant that last week's issue of THE NEW AGE, synchronising with the abrupt ending of a political epoch by the Electoral stampede, should close our forty-ninth volume. Forty-nine is the square of seven—the mystical number signifying completion. With this issue we enter into the most hazardous stage of our journey where something more than passive assent to the Social Credit Proposals will be necessary, and where educational efforts to swell our numbers with new passive assentors will be of comparatively little help—even if they are not suppressed by the Government. We are not laying down the law of policy; we are saying that the Government's actions and the people's reactions are likely to impose on us a new policy. And we think that that policy will involve our placing prime emphasis on confirming and strengthening the supporters we have, and only minor emphasis on attracting and educating new supporters. This is not an order: it is a forecast: so everyone may hold to his own view without any argument and watch to see what happens next.

There is one preparation we want to make. All communications requiring the Editor's attention should be addressed directly to him as follows:

Mr. Arthur Brenton,
 20, Rectory Road,
 Barnes, S.W.13.

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

There are two reasons. The first is that letters addressed to Barnes reach the editor at 8 a.m., whereas he does not see those addressed to London until the afternoon. The second is that letters addressed to the London office are delivered into the charge of the landlord's staff together with those for other tenants on the building. We have nothing against him or them, or the way they deal with the sorting and distribution. But we have a feeling that for the future it will be better for all important correspondence to pass directly from the hand of the postman into that of the intended recipient.

We do not ask for this procedure to be made a rigid rule. Now that we have stated the position, correspondents can use their own judgment what course to pursue.

Obituary.

DR. MORALT.

Many old workers in the Social Credit Movement will receive with deep regret the news that Miss Marie A. Moralt died in the East Anglian Sanatorium at Nayland on October 30. She was gifted with a keen and balanced mind, and was among the first to grasp the content of the Theorem on which the Social Credit Proposals rest. Not only so, but she conceived and carried out the idea of collecting, collating and publishing items of news for the use of Social-Credit speakers and writers, many of whom will to-day pay tribute to the help they received from her little monthly digest—especially since, at that time, the kind of information she provided had to be sought for. Younger members of the Movement, to whom to-day's newspapers bring daily almost a surfeit of material for propaganda, will hardly realise how widely Miss Moralt had to cast her net to catch material of this sort when she entered upon her task. Moreover, during the performance of this task she was impeded by a serious physical disability, which was aggravated by a motor accident in which she was involved three years ago, since when she had been obliged to give up her practice in Bookham and to reside abroad. But nothing abated her keen interest in the Movement and its fortunes. As recently as ten days before her death she dictated a letter to a friend from the sick-room, in which she said:

"I am afraid I am too ill for it to be much pleasure for anyone to talk to me. I am still sound in the head,

The real financial conflict springs directly from psychological reactions regarding the idea of confidence—that is to say, credit.

In dealing with the conception of confidence and loss of confidence we are dealing with the Psychology of Fear.

Confidence is faith in the ability of mankind to go on producing food, warmth, shelter, transport, communications, and so-called luxuries.

It is possible to tabulate the only possible circumstances that can (logically) bring about a loss of confidence:—

(a) Floods, droughts, earthquakes, storms, pestilence, or any other such catastrophe that cannot be controlled or modified by human wit and ingenuity, including the physical destruction of the planet Earth.

(b) The mental or physical inability, or the refusal of human beings to maintain the productive system.

(c) The breakdown of the productive system due to the destructive operations of modern warfare.

There are no other factors that can (logically) make us lose confidence in ourselves or in one another. Not one of the above factors was in play. How, then, could a loss of confidence take place?

We are forced to the conclusion that some factor outside the boundaries of any logical system of thought was the cause of this "loss of confidence." This illogical factor was (and, of course, still is) an attitude of mind, a fixed idea, a complex regarding the function of money. But it goes far deeper than that. It is, as it were, a blind spot in the psychological make-up of the vast majority of human beings. Born into an Age of Plenty, we are still constrained, almost automatically, to feel (and, therefore, to think and act) as though we lived in an Age of Scarcity. Want begets fear. We are still hunters and snatchers. We are afraid.

We are afraid of losing what we have. We must grab what we can get, since everyone else is snatching and grabbing from us. In particular, we must snatch what money there is from somewhere, since without it we are doomed either to steal or starve. This fear-filled attitude towards life is not something carried over from our primitive hunting ancestors. It is fastened upon us at birth by a financial system that clogs, hinders, and eventually brings itself to a standstill by creating an ever-increasing recurring debt that cannot be paid.

The loss of confidence that plunged us into "crisis" and rushed us into a General Election was fear—

(i) in financial circles (Finance-Capital);
 (ii) in big industry
 (iii) amongst small investors. } (Middle Classes).

But this fear would never have resulted in the stampede of votes from Labour to "National" but for a further spread of apprehension into the lower economic strata of the social pyramid, especially the womenfolk. As a last-minute effort to spread the scare came the dreadful news that the Labour Government had actually taken and used the poor people's shillings and pence in the Post Office Savings Bank to make up part of the deficit in unemployment pay! That, together with the waving of millions of "worthless German marks," produced a panic-stricken mentality amongst the non-investing wage-earners, who had put by their little bits of savings in the Post Office. The final section, with perhaps the greatest voting-power, was added:—

(iv) The Post Office Savings Bank depositors (Workers). Except for the unemployed, the total electorate was now filled with fear. Everywhere the voters went bald-headed for the "National" Government.

With an enormous majority, buried under an avalanche of ballot papers, the "National" Government has (as our National voter put it on polling night) "no excuse now."

MacDonald has his "free hand"; indeed, both hands. He has his "doctor's mandate." The patient, scared stiff, has said: "Do whatever you think necessary, doctor. Dose me. Open me up. Chop me to bits. Put me in plaster. Amputate. Try blood transfusion. Stomach pumps. Oxygen! Blood-letting. Dieting. Leeches. Fasting. Anything!" The doctor must get busy quickly or—what?

There is no excuse now.

THE MONEY-FRUIT OF "VICTORY."

The loss of something like two hundred Labour seats to Conservative and Liberal candidates means the loss also of 200 times £400 per annum by individuals who have spent their Members' salaries to support themselves to individuals who for the most part are in a position to keep themselves without these salaries. Thus the bankster parties have collared something like £80,000 per annum towards the extra income tax which they are supposed to bear under the doctrine of Sacrificial Equality. This will restore their confidence—good health to them. What?

I think, and would like a Social Credit gossip with you better than anything in the world. . . . Isn't it fun to see the dawn breaking on every hand? The most unexpected papers saying the most extraordinary things. It seems as though we could not be long now."

This message is in itself a tribute to her temper and quality; and we may be sure that, inasmuch as we "shall not be long now," she is one of the causes why our waiting-time is on the edge of fulfilment. There is one word which, more than any other, expresses her character. It is the word "sport." She possessed the rare capacity for taking a serene and detached view of the game in which she was herself a participant. She never manifested the least rancour in her attitude towards the defenders of the financial system; her comments on their schemes and sophistries were imbued with the spirit of cheerful, benevolent irony—the judgments of one who knew the game, and knew that they did not. She was a clean player in a contest whereof every incident was to her an occasion for laughter. . . . "Isn't it fun?"

And now the Referee's whistle has sounded, the game is finished, and she's gone. But not before she has helped her team to survive every round to the Final—and not before, shall we not feel?—she has seen the scoring of the deciding goal that wins the Cup.

To us, her friends, who survive there is a pang in the thought that the first gleams of the dawn should strike on the folds of her shroud. But there. . . . Perhaps she would say of this, too. . . . "Isn't it fun?" No. Let us comfort ourselves with the knowledge that she has gone to her rest content with what she has done and in the certitude of its fruition.

"For mine eyes have seen Thy salvation." A. B.

News Notes.

THE ORGANISING OF VICTORY.—*The Times*, of October 9, has a leading article which shows how victory, as distinct from the education of electors, can be worked. The process is one of disfranchising constituencies by persuading or coercing would-be opponents of the sitting candidate not to stand, or the partial disfranchisement of them by procuring a straight fight between two parties, where hitherto three or more points of view sought representation in Parliament. In the nature of the case the power to bring this off always rests with the bankers when they take sides—and never with their opponents. For, however much money in personal ownership might be brought to bear on a candidate to persuade him to enter the lists when the bankers did not want him there, the latter could trump it with credit of their own creation to an indefinite multiple of the sum without anybody knowing where the money came from. The persuasion of the candidate to retire may not take a monetary form, but a secret undertaking to procure him some title later on. In this connection we recommend the Labour Party intelligence service to take a note of the names of the graceful "retirers" from the present contest and publish the information in the *Daily Herald*, so that the Labour Movement can intelligently examine the next following Honours List or appointments to posts under political or financial patronage. And, where the inducement is monetary, it may not consist of a payment of money, but the excusing of repayment of an overdraft. Nor, supposing a money payment, need it go directly to the retiring candidate, but to his political party funds, or, perhaps, to some charitable or other object with which he is connected and out of his connection with which he gets a dividend in terms of social prestige. Indeed, there is no desire, sordid or otherwise, that Finance cannot gratify by reason of its exclusive privilege of creating and dispensing financial credit belonging properly to the public. If a bank can forgive an overdraft of £500,000 to a textile firm (which has happened) it is nonsense for bankers to say that they could not, or would not, do equivalent things—and much more readily—in a situation where their very power to do them looked likely to be questioned in the event of a defeat for the National Government.

In the article to which we refer *The Times* laid down the principle that, wherever a Socialist candidate was standing, the Liberal and Conservative local Associations should agree that whichever of their respective candidates polled the fewer votes at the last election should stand down in favour of the other. *The Times* recognised that this principle would call for "im-mense restraint on the part of local associations," but insisted that it should be followed "at whatever cost to the

pride of the local association whose candidate is called upon to withdraw." (Our italics.)

The calculated effect of this straight-fight method of applying a crooked policy can be measured by the fact that at the last election Labour had won 118 seats on a minority vote. They had won 268 altogether; so that unless they increased their poll on this occasion relatively to the other parties the bankers could count on their losing these seats and coming back only 150 strong. If this had happened the Liberal-Conservative majority over all other parties in the House would have been about 250—and it is significant that the Stock Exchange dealings in "majorities" were round about 230 up to the date of the poll. As it happened, if some observers are right in their accounts of their campaigning experiences, the female electors turned out in greatly increased numbers, and upset these nice calculations. Sir Ernest Benn writes to *The Times* of October 29, giving reasons for his belief that the unemployed voted largely against the Labour candidates, and drawing the conclusion that these men recognised that they were in "political help," his meaning presumably being that the extravagant scale of relief kept them out of work. We suggest that if these men did vote against Labour it was because of the manifestos of people like Lord Rothschild and the Bishop of London, who virtually told them that they would get no dole at all.

"AN ECONOMIC PROGRAMME FOR THE IRISH FREE STATE."—This was the title of a 32-page pamphlet published by the P. H. Pearce Study Group in 1922. It was issued by the Talbot Press, Ltd., 85, Talbot Street, Dublin, and T. Fisher Unwin, Ltd., 1, Adelphi Terrace, London. It set forth "a set of principles for an Irish industrial policy." The authors were evidently Social-Credit students; they advocated the Just-Price discounting method of expanding purchasing-power. We put this on record for the benefit of those who may one day want to compile a historical list of Social-Credit publications.

SOCIAL CREDIT IN "THE ADELPHI."—The *Adelphi* for November contains a short article by Mr. Brenton entitled "Budgetary and Trading Deficits." The article analyses the real nature of "Default" along similar lines to the "Notes" in this journal of October 22, and presents the conclusion that hints of "disaster" spread about by bankers have no substance. The editor of the *Adelphi* is to be complimented on his courage and enterprise in allowing an arch-heresy like this to find expression in his pages. The magazine is published at 58, Bloomsbury-street, W.C.1, and is, we think, on sale at the chief book-stalls, price 1s.

GAGGING THE PRESS.—Sydney A. Moseley, writing under "Secrets of the 'Street'" in the *Leader* of October 29, says: "Here is another extraordinary thing which, were it not from a source on which I usually rely, I would hesitate to repeat. It is that the new Government may endeavour to establish a strict censorship of newspapers. Personally I believe it to be utter rot, but my friend insists that there is something in it." (Our italics.)

INVERGORDON.—Admiral Dewar has explained in the *Times* that he personally had no knowledge of the issue of the Kaiser-Norman cartoon with his election literature, and this quite probable. Election agents choose literature, and this cartoon was chosen by his agent—as it was by agents in other constituencies—on its own merits as propaganda.

BUDGET SURPLUSES.—The Labour Opposition will do well to note, and put a question about, the following passage in Mr. Snowden's first Budget speech, on April 29, 1924. He said: "The Committee is aware that there was a realised surplus on last year's account of £48,329,000. Under existing law, that has gone to the repayment of Debt." We suggest that the "existing law" be challenged. It practically £50 millions out of circulation and destroyed, accounted for—gone out of the Government. It is the process of repaying bank-loans to the Bank, when the taxpayer yields up more than Parliament asks, the Bank destroys the surplus, when he yields less, the Bank ought to create and restore the deficit to the same amount. This is not inflation: it is compensation for excessive deflation. £50,000,000 would practically save the dole-cut. Let the Bank return it.

THE CRISIS. WHAT LADY STAMP KNEW.—According to the *Daily Herald* of October 27 Lady Stamp, wife of Sir Josiah Stamp, a director of the Bank of England, speaking at Bromley, Kent, during the election, told her audience that she was "behind the scenes" at the time of the loan to Austria, that she happened to know that the Bank of England was in great doubt about lending that money, and did so only because it was a question whether Austria would do pieces like Germany. We should like to know what the Official Secrets Act is for? We can understand Sir Josiah

Stamp's knowing what went on, in the sense of being aware of what he and his fellow-directors were coercing the Labour Cabinet to do, but he appears to have known, and to have told his wife, what were the attitudes of the various Cabinet Ministers to the Norman Ultimatum. He and she knew at the time. But the public knew nothing until after the split in the Cabinet and the formation of the National Government, when certain Ministers and ex-Ministers disclosed to the House of Commons certain particulars of the debates and dissensions in the Cabinet. What has become of the doctrine of the "collective responsibility of the Cabinet"?

A WAR PORTENT. BERNARD BARUCH CALLED INTO COUNCIL.—According to *Time* (U.S.A.): "Prior to leaving for his Rapidan camp last week-end, President Hoover breakfasted with Bernard Mannes Baruch, famed director of the War Finance Corporation, breakfasted and talked so long about world financial affairs that the President was two hours late getting to his office, thereby missing Secretary Mellon who had called." (Published in issue of October 12.) It will be remembered that Mr. Bernard Baruch was in supreme control of the credit required for financing United States war-production in the First World War. Not a thing could be made without his consent. His appearance at this juncture after twelve years' obscurity means something big.

"OUTLINES OF CENTRAL GOVERNMENT."—We call the special attention of every one of our active supporters to a book under the above title, a review of which appears elsewhere. It is of such importance that it will be added to the stock of the Credit Research Library. Supplementing our review we subjoin here a quotation taken from the author's "Conclusion," which must be recorded. It comes from Spinoza's *Tractatus Theologico-Politicus*. . . . "The final end of the State consists not in dominating over men, restraining them by fear, subjecting them to the will of others, but, on the contrary, in permitting each one to live in all possible security—that is to say, in preserving intact the natural right of each to live without injury to himself and others. No; I say the State has not for its end the transformation of men from reasonable beings into animals or automata; it has for its end so to act that its citizens should in security develop soul and body, and make free use of their reason. Hence the true end of the State is Liberty. . . ." This thought, coming down to us through the ages, marks Benedict de Spinoza as one more figure in the classical line of Social Credit philosophers.

LETTERS TO THE EDITOR.

A NOTE FROM AMERICA.

Sir,—Conditions here are growing steadily more critical. Credit is paralysed, the banks practically bankrupt, and industry at a standstill. My father is in the steel business, which is a good thermometer of the rest; in steel, salaries were first cut 10 per cent., then 20 per cent., and then the working week was shortened to four days—and they are still losing money on their overheads and capital investment. The newspapers have much to say about unemployment and industry, but they soft-pedal the condition of the financial system. The other day two widely heralded reports were published simultaneously: one by the committee on industrial depression of the Chamber of Commerce, the other by the executive committee of the American Federation of Labour. Except for the setting up of a national economic council (included in both reports), the one by the A. F. of L. boils down to one idea: that the productive mechanism must be throttled down. Factories should be allowed to stand idle two days a week, and part of every other day; and when they are open work should be spread out thin, employing everybody part of the time. The only "principle" the report formulates is that industry must supply employment. It is tragic to see the very people who most need the products of industry driven to join in the sabotage of it; but so long as they examine only the productive half of the system, they are bound to come to this conclusion. The report of the Chamber of Commerce boils down to no idea at all: it suggests tinkering with the anti-trust laws (which, for all I know, could stand tinkering), leaving the question of unemployment to local effort, and curbing speculation. It attributes the depression, aside from war due relative to what. It ends up with a pious wish for disarmament. The Socialists and Communists disagree with both these points of view, but concentrate on the control of industry. No one (except Young, who has raised the question of a currency relative to total production; and probably a few others I don't know of) seems prepared to see the system as a whole, or even breathe on the sacred mirror of finance. Yet everybody knows that the financial system has somehow gone to pot. But even my financial neighbour here persists in talking, on his week-ends, about specula-

tion and inefficient management of business as causes of the depression. The word gold is black magic, and inflation a bugaboo. L. M. New York.

JEWES AND BULLION.

Sir,—You say in your edition of October 29: "It is commonplace knowledge in Jewry that the Rothschilds are the Gold King's, and the Samuel-Montagus are the Silver Kings."

There seems to be no point in your giving the alleged opinion of Jewry, and if there is, then the statement has no value because no such opinion exists. The Jews know no more about the business activities and powers of these financial houses than the Gentiles know about their non-Jewish counterparts. Naïve notions about them get us nowhere. Why not stick to facts in support of Social Credit?

S. P. ABRAMS.

[Samuel Montagu and Co., in London, are the recognised authorities on the Silver question, and control the fixing of the daily market quotation of the price of this metal, which price is a standard for the world. We did not use the word "opinion": we said "knowledge."—Ed.]

CHARLES II. AND THE BANK.

Sir,—The subjoined is an extract from *King Charles II.*, by Arthur Bryant, page 222, published this month:—

"The result was an immediate, though somewhat unnecessary panic, for the suspension only directly touched a few wealthy bankers—the holders of large assignment orders—and in the upshot not one of them failed. But it is not in the nature of bankers to endure loss, and they at once took steps to pass the deficit on to their clients, not only by refusing all payments, but by seizing deposits left in their hands by private merchants. A commercial panic was only prevented by the personal intervention of the King. On January 7, 1672, he sent for the bankers, and, assuring them that their debts and interest would ultimately be met in full, requested that they in their turn should meet their obligations to their clients. Within a few days comparative normality was restored in the City. None the less, the crisis had been a grave one, and had left a sting behind it."

A. O. HOUNSELL.

CAN THE KANGAROO JUMP?

Sir,—In his note on "Can the Kangaroo Jump?" Mr. Berrill draws attention to Kyserling's and Emerson's view of the English "animal man," and then points out that the Australian is not of this type, logical. Is he not making a large assumption in implying that there are only these two types? My experience as a psycho-therapist has taught me that there are many people who seek neither the "immediate animal way out," nor the logical, "remote cure for personal discomfords," but who appear willing to put up with or ignore their discomfords for the sake of irrational, or unconscious values. It might be said that, in varying degrees, all men belong to this class, but there is reason to suppose that, in certain ways, the Australian is a particularly clear example of it, and is therefore not primarily logical.

Examples of this may be seen in his irrational forms of independence. He takes up the attitude, "I refuse to swallow other people's ideas; I hold to what I know." But there are other people's ideas that eventually force themselves upon us. The many ideas that the Australian's attitude is that he only practical result of the Australian's attitude is that he remains anything from a decade to a generation behind the times in all those matters in which his attitude applies. Is this a logical way out of difficulties?

An engineer friend told me of a recent case in which some reinforced concrete work was to be done in Australia. Before beginning it, the Australians insisted on carrying out costly experiments that had long ago been made and incorporated into standard text books overseas. My friend pointed this out to the Australians, but they valued their independence too passionately to allow them to give way to reason.

In conclusion, though I am myself an Australian, I should like to agree with Mr. Berrill that the Australian is more logical than the Englishman—except where his independence is concerned. OSCAR KÖLLERSTRÖM.

Camberley.

PRICE-REGULATION.

Sir,—In reply to that part of the letter from A. W. in your issue of October 22, pointing out the difficulty of working out the price-factor, may I suggest for his consideration that the labour may not be necessary for quite a long period—possibly, even, never.

I notice that practically all writers on this subject stress the necessity for the gradual application of the factor, and I picture to myself a Board of business men, appointed for this duty, commencing by applying a discount of (say) 5 to 10 per cent. on prices, and maintaining this for some few months; then increasing to (say) 15 per cent., and, after a sufficient interval, to 20 per cent., and so on.

They would keep their fingers constantly on the pulse of industry, and increase the discount little by little as industry "took the strain." When, after several years, it was found that a further increase in the discount failed to take goods off the market any faster, the time would have arrived for a progressive shortening of working hours.

It would also, I suggest, be an opportune moment for setting the office-boy to work out the price-factor by way of

trying out the latest addition to the office in the shape of the new Twin-triplex, screened-grid, O.H.V., supercharged, vertical, inverted calculating machine—1955 Autumn model.
A. W. COLEMAN.

SOME TECHNICAL QUERIES.

Sir,—“Modern industry has to be carried on almost entirely with money borrowed from the Banks.”

“All money is loan money.”

“The funds of the Money Market are the proceeds of Bank Loans.”

If a Company has a Reserve Fund and invests it in Treasury Bills, is it not part of the Money Market and would this investment be the proceeds of a Bank Loan?

“Balance the Budget” pamphlet states the difference between the money advanced to the Government by private people and that advanced by the Banks. Does not this lead to the assumption that there is a fund to loan apart from the Banks? As the proposition looks so favourable to the Banks, why did they not loan the whole of the Government's requirements; why was the appeal made to the General Public?

The statement made by “Accountant” that the total amount of currency in the world does not exceed half the total amount of the prices of goods for sale is, as pointed out by Mr. Sunderland, very astonishing. Is there any corroboration of this?

P. P. S. F.

The “Ampleforth Journal,” Ampleforth College, York.

[(1) All money in anybody's possession is the proceeds of bank-loans. What Jack has Jill owes. (2) It is just because the proposition “looks so favourable” to the banks that they hide their action by lending to someone to lend to the Government. Banks are not seeking profit, but power. (3) The total currency in Britain is something like £330 millions, we believe. Perhaps “Accountant” will communicate his data directly to you.—Ed.]

MUSIC.

Sir,—My attention having been called to the article entitled “Music,” by Mr. Kaikhosru Sorabji, in your issue of October 22, I wish to protest against the nonsense written about Professor Artur Schnabel. Any musician reading this amazing criticism would at once realise that the writer can have no knowledge or understanding of music. But I write in the interest of the unmusical public, who are likely to be taken in by this vicious muddle of words—only too apparent to a discriminating observer.

JOHN HUNT

[Mr. Sorabji replies: Had Mr. Hunt confined himself to saying that I have no knowledge or understanding of music as he conceives them, that would have doubtless been indisputable—as it is, he merely makes himself ridiculous among those who know something of me and my work.]

ANSWERS TO CORRESPONDENTS.

W. M. D.—Thank you for your letter. The only names we know are those of people who are already buying Social-Credit literature. Perhaps other readers may like to send lists of names of persons to whom you might usefully send the Social-Credit pamphlets and letters you mention. If so, and they will mark their envelopes “W. M. D.,” we will re-address them to you. But it will be better for you to let us publish your request with your name and address if you have no objection. Failing any other suggestion, a fair number of people who write to *The Times* need to have their eyes opened, and in the case of some of them there is no reason why you should not make an impression. *The Times* publishes addresses in most cases.

THE C.W.S. BANK.

Rev. W. J. PIGGOTT.—We have read your letter published in *Comradeship and the Wheat-sheaf* of October concerning the Co-operative Wholesale Society's Bank. Your recommendations and arguments follow the lines of our own in *The New Age* some weeks ago. (This for our readers' information.) You make one point that is new to us when you say that in the Railway Lock-out of 1911 the “capitalist banks refused to pay out the funds of the railwaymen deposited with them.” We hardly think they could have done that. They may have declined to advance loans to the N.U.R.—although, against that, must be placed a statement once made by Mr. Frank Hodges relative to the Miners' Federation that: “We started the strike on an overdraft.” This, however, is a matter of detail. It meets, however, the Editor's first point in his answer to you, when he claims that the C.W.S. Bank paid out £2½ millions to the trade unions during the General Strike of 1926, and calls this a proof that this bank is not under external financial control. His other remarks are so artless that it is not worth while answering them seriatim. Your best method of dealing with them is to point out that the cash revenue of all the Co-operative undertakings in the country is handed over to the “capitalist” banks as fast as it is collected from their six million customers. Seeing that the “independence” of any bank depends upon its access to currency, the C.W.S. Bank is thus a dependent bank. The Editor is misled by the absence of evidence that this bank is controlled against its will. But since it will be controlled, there can be no such evidence. If the C.W.S. Bank directors like gathering blackberries for the Big Five's jam, naturally the Big Five won't interfere with the innocent pastime. In our opinion there is too much “Comradeship” and too little “Wheat-sheaf” in this worthy Editor's mental make-up: he belongs to the type of persons among whom the capitalist bankers do the readiest trade when they come out selling pups.

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