

THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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NOTES OF THE WEEK.

The *Wall Street Journal* on December 15 says: "A paradoxical battle is now progressing in the foreign exchange markets, and France is attempting to raise the price of sterling to minimise her losses on her enormous balances in London, while England is quite content with the low rate of her pound, for it is a help to her export trade, and is seizing the opportunity to sell sterling thereby helping to build up her dollar balances here against the settlement of the \$75,000,000" [Federal Reserve credit due January 31 next]. The same paper goes on to declare that local banking circles believe that the Bank of England will "continue to sell sterling whenever the demand for it sets in," thus accumulating dollar balances with which to meet indebtedness. It is believed that the Bank of England has been buying bills recently, the majority of the purchases being "apparently made through the Federal Reserve." In the foreign exchange market "an unusual situation is developing in regard to sterling." This is only the latest phase of the war of attrition that has been waged against France since 1923. It began with Mr. Montagu Norman's pact with Mr. Benjamin Strong in that year to fund Britain's war-debt to America without consulting France or any other of the Allies. From that time the inner political history of Europe has been a process of financial intrigue which has culminated in the encirclement of France by a ring of virtually Anglo-American protectorates equipped with industrial and military weapons of coercion provided by sterling-dollar credits.

At the time of the debt-settlement the late Lord Balfour, under the inspiration of Anglo-American finance, had been publicly advocating an all-round cancellation of debt. This apparently benevolent gesture was designed, not to bring about cancellation—which Norman knew perfectly well that Strong would never assent to—but to deceive the world into regarding Great Britain as the disinterested friend of Europe, thus engendering a favourable atmosphere in which Norman could negotiate his debt-settlements

with one country after another—offering each a rebate from its debt on condition that it came back on the gold standard, where Strong wanted to get them all. Norman was further assisted by another gesture of the late Lord Balfour's—namely, his famous Palestine Declaration, which had the effect of mobilising Jewish sentiment and Jewish finance in support of "Britain's"—i.e., Norman's—policy. Thus Norman became the financial dictator of Europe—the Great Silent Figure, who was able to dispense with speech in public because the Jew and Gentile Press in New York and London did all the public talking; and to economise on speech in private because Jew and Gentile money did most of the private talking. Just as, in olden times, the pointing of the Emperor's thumb signalled the fate of a gladiator, so did Norman's thumb, pointing back over his shoulder, settle the policy of a Chancellor and the fate of a people. One after another they fell in behind and were set dancing to the music since made world-famous by Sir Otto "Piedpiper."

While America has been thus using Britain as a European base of sterling-dollar operations directed to the militaro-economic containment of France, she has also been using Russia as a European base for dollar-rouble operations directed to the militaro-political penetration of Britain's Eastern Empire. "The British Empire has fallen into our hands" gloated Dr. Page in his dispatch to President Wilson in August, 1914, when Britain went to war against Germany. And the process by which the fulfilment is being assisted is that of fostering the aspirations for self-government among the native subjects of the King. The "military" element in the policy is not, so far as is known, the arming of native democratic organisations, but the steady politico-educative activity which inflames the imagination of the natives to a point where militant action is inevitably resorted to. Russia, of course, is the obvious agency for the plan. In Russia, Communism is in power, and the system works—or so it is said, and so believed. The Soviet Government, if not atheistic in its outlook, is at any rate non-Christian, and thus has closer affinities—

at least nominally—with non-Christian populations than has the British Government. And the Soviet Government can point to the achievements of which it boasts as a proof that neither illiteracy nor lack of administrative experience—notorious among the Russian people up to the time of the Revolution—is any bar to self-determination. What has succeeded in Russia, in China, in India, in Egypt and any other country under "capitalist" rule. In the east, of course, it is John Bull who embodies the "tyranny of capitalism"—even in China where he is only one of several "foreign intruders." The one exception is Japan, where, it is well known, the problem of Communism is causing infinitely greater anxiety to the Government than anywhere else—a situation which the United States can afford to regard with greater complacency than can Great Britain.

In India, to take the country where the problem is worst for the British Government, there is, on the one hand, American education of the natives in what may be called "appreciation of the forms and art of government," pursuant to which the student is encouraged to "hear all views," including those of the Communist. Not that the educators inculcate seditious views, nor even wish to, but, the economic condition of the world has become such to-day, that to the observant and idealistic native there appears to be no alternative to his subjection by Capitalism but emancipation by Communism—and it is but a short logical step from his appreciation of Communist doctrine to his acceptance of the method by which it brought the first and only Communist Government into power. At its lowest the method is one of passive obstruction, and at its highest one of active destruction of property or life or both.

The British Government are in much the same position as that of a man who is set a physical task to do on a diet of poisoned food. They are set to prevent France from becoming a dictator in Europe while at the same time they find themselves indicted as a dictator in the Empire. Thus the President of the Board of Trade sends "strong notes" to the French people while simultaneously the Viceroy of India threatens the "strong hand" to the Indian people. Mr. Gandhi, after some months of petting at the hands of Anglo-American society in London, has sailed back home with renewed determination to carry on his anti-British boycott. And the British resident administrators there are faced with the renewal of their previous dilemma, which is to preserve order, but to do so by methods that will not affront American sentiment. The dollar-educator fans the revolt, while the dollar-financier obstructs those who have to put it down. The practical meaning of this is that Britain rules India as an American mandatory power. And, bearing in mind the peculiar traditional association between India and the foreign policy of Czarist Russia, there is a good deal of significance in the recent Anglo-American chaperoning of Russia in London society.

When Mr. Winston Churchill was knocked down by a taxicab in New York he was on his way to visit no less a personage than our retiring friend, Mr. Bernard Baruch. The report of the accident is in *The Times* of December 15, page 12. It runs as follows:—

"He [Mr. Churchill] was on his way from the Waldorf Astoria to the house of Mr. Bernard Baruch at 1055, Fifth-avenue. He had forgotten the exact number of Mr. Baruch's house, and decided to leave his taxicab . . . and cross from the east side of the Avenue on foot."

The accident occurred, says *The Times* Correspondent, through Mr. Churchill having "momentarily forgotten the difference between the British and American rule of the road." Apparently he

had also forgotten the difference between a public lecture-tour and a secret political-mission, not to speak of the difference, or rather the clash, between the British and American rules of economic survival under the present system of financial government. For the information of new readers we may mention the following particulars about Mr. Baruch, which were published in the *Dearborn Independent* in the course of a series of articles commencing in May, 1920.

A Jew.
The son of a Dr. Simon Baruch, a medical man. Born about sixty years ago in South Carolina. Graduated at the College of the City of New York (the President of which, in 1921, was Dr. S. E. Meyes, a brother-in-law of Colonel House).

At the age of twenty-six or twenty-seven, promoted from a stock-exchange clerk and a runner to membership of the firm of A. A. Housman and Company.
Had meanwhile gained a seat on the Stock Exchange. Went into business for himself. Made a study of corporations engaged in manufacture and a "study of the men engaged in them." (Passages in inverted commas are from Mr. Baruch's own testimony before a Congressional Committee held soon after the Peace Conference.) Interested in copper, steel, tungsten, rubber, etc.

On the face of it this record contains nothing to explain why Mr. Baruch should, as he did, become the supreme controller of American economic activities during the time of America's participation in the war. But, for reasons unknown, it is clear from his own testimony that, long previously to his appointment, he had had the run of White House and access to President Wilson. One possible reason as being hinted at by the *Dearborn Independent* is being connected with a "story" which "ought not to be told unless accompanied by the fullest confirmation." Further, at the very time when President Wilson was propounding his policy of keeping the United States out of the war Mr. Baruch was financing General Wood in the Plattsburg encampment as a preparation for war-mobilisation, and devising a scheme for mobilising industry. This was two years before America entered the war. "Council of National Defense" to be headed by six secretaries of the Cabinet (War, Navy, Interior, Agriculture, Commerce, and Labour). Beneath this official group was an advisory commission of seven men, one of whom was Mr. Baruch. Beneath, and subordinate to, these two groups was the "War Industries Board." Mr. Baruch was a member of it. Before very long the War Industries Board had swallowed up the Council, and Mr. Baruch personified the final arbiter of every war activity in America. As he told the Congress Committee, "I probably had more power than perhaps any other man did in the war." Then when the war was over, he went to Paris and participated not only in council with the framers of the Peace Treaty but even in the consultations of the "Five" (i.e., the five Prime Ministers)—an exercise of sovereign political power by one who had no political credentials, and about whom practically nothing was known to the American people.

Such then, was the personage whom Mr. Churchill was on his way to visit. Psychologically it is natural that a man of Mr. Churchill's type would play moth to this flame of power. In his own way he has a parallel ambition, though rather than cutting figures in public than calculating them in private. Churchill's use for Baruch is not plain; —but Baruch's use for Churchill is plain enough; it would be interesting to know what the notable was. It does not smell too safe to have our notorious political war-actor whispering with a playwright and producer of war. The spectacle of the defence of Antwerp was thrill enough; and we can

do without such a sequel as, let us say, the investment of Cherbourg.

As we write, the news is published of the U.S.A. Senate's re-affirmation of the principle that Europe's debts must stand. That should be a signal to Europe to get together and see what can be done about it. This would involve putting a stop to the intrigues of European financiers at present directed to adjusting the balance of power in their own interests, and instructing them to unite in the task of preserving something like a balance of power between Europe and the United States. The basis of unity exists in Major Douglas's outlined scheme for settling the American debt which Mr. Lloyd George was too busy to consider in 1922. Whatever may be the immediate wrangles between the British, French and German Governments, it is nonsense to say that these could not be suspended while the three Governments drew up a joint offer to pay back the United States in the same "currency" as they borrowed—namely goods. It is agreed both by bankers and economists that what America lent was dollars—worth—the dollars themselves going into American war-contractors' pockets. It is equally agreed by them that in principle Europe can only effectively repay the debt in pounds-worth, francs-worth, marks-worth and so on. Why, then, shy at the practice? If the principle is true, why should the truth not be officially propounded by London, Paris and Berlin and submitted to Washington as the basis of negotiation? A headline in the *Daily Herald* recently said: "Pay America in bully-beef," a suggestion which indicates that the essential feature of Major Douglas's scheme would "catch on"—or, shall we say, "create confidence"?

Older readers may recall the unguarded remark made by a business-man in a letter to an American newspaper (referred to in *Credit Power* at the time) namely: "The American debt is worth an army corps to us." Quite so; and if the Hoover disarmament-ramp had come off, the whole of Europe would have become virtually a part of the "American Empire." Major Douglas indicated to Mr. Lloyd George that the insistence by America on debt-repayment might not proceed from a desire to receive an instrument but from the policy of using the debt as nations. And it was partly to clear up this doubt which he designed his scheme. During the nine years which have elapsed since, the American policy of lending and investing dollars in Germany—not to speak of Mr. Owen D. Young's projected export while denying Europe or Europe's external markets—is plain evidence that repayment is not wanted. The United States exacts dollars from Europe by a process which compels Europe to accept dollars-worth to a greater value than the dollars exacted.

It needs little imagination to see that the official formulation of Major Douglas's scheme would even immediately ease European frictions. The prospect, though only on paper, of a revival of trade activity in the countries concerned would blot out jealousies and suspicions, and so improve the morale of Europe that the United States would have to consider the possibility of facing a military alliance against her present policy.

The obstacle is, of course, plain. It is that in the process of releasing Europe from bondage to the United States, every nation, including America, would be released from bondage to the international credit monopoly. For naturally, Europe could not reasonably insist on Major Douglas's scheme for

European exports to America without explaining to the world in general, and the American public in particular, how America could absorb these exports without detriment, and in fact with advantage, to her economic and political stability. And it goes without saying that when once the financial device for accomplishing this were adopted anywhere it would be adopted everywhere.

The Postmaster General recently dismissed Mr. A. O'Donnell and compulsorily transferred Mr. W. Wallace from the sorting office at Manchester. These two gentlemen had been advocating the policy of "withdrawing good will," that is to say discontinuing the custom of putting in extra (unpaid) effort during rush-periods. The result was that for some time in October and November 20,000 letters were held up. According to *The Times* (December 19) the "serious effect" of this was shown by two letters in the public Press, one from the president of the Manchester Chamber of Commerce referring to the "serious loss of trade which *might well* (*sic*) ensue," and the other from an unemployed man who complained that the delay in receipt of a letter from a *prospective* (*sic*) employer deprived him of the *opportunity* (*sic*) of obtaining employment. Of course trade lost in one quarter would be picked up in another; and every job missed by one applicant would be secured by another: but those blessed by the luck of the game would not write to the Press to celebrate it; only the unlucky ones would squeal. If there was a net balance of injury or inconvenience the responsibility would appear to be with the Postmaster (i.e., the Treasury) for not having engaged extra sorters to deal with the congestion. But the banks always put the women and children in the firing line on these occasions.

Our first reference (*THE NEW AGE*, December 10) to the above movement and the general grievances of the Post Office Workers brought us a letter a few days ago suggesting that the policy we then sketched out for the Unions to adopt might usefully be directly brought by us to the notice of the leaders concerned. We do not think so. It is outside our province; and even otherwise, Union officials would not appreciate "outsiders" telling them their business. We know that a fair number of our active supporters are in that side the Post Office, and our views will be transmitted to headquarters if they happen to be regarded as useful by one or other of the Union branches. Moreover, in this case we have reason to believe that they are known there anyhow. The lesson of this disciplinary action for sorters and other Post-Office servants is to review very seriously whether the capital debts earned for trade unionists are worth the capital sunk in the trade unions. *The Times*, in its leading article on this episode (December 19) applauds the punishment, pointing out that "personal responsibility" is not gone just because men agree in a body to repudiate their obligations as servants of the Department. This was in comment on a plea raised by a delegation of the U.P.W. to Sir Kingsley Wood that these two men's acts were carried out by virtue of a branch-resolution. State services must not be undermined at the instance of Trade Unions. Moreover, in this case, the action had been taken against the advice of the leaders.

On this reasoning the delegation's request for a review of the punishment was refused. And, of course, within the frame of reference held to apply to the situation Mr. Bowen could not refute it even if he wished to do so. Both he and Mr. Brown are logically obliged to repudiate all actions not sanctioned by the Trade Union executive. Now trade union executives are not in the least likely to sanction any direct action at all—and for sound reasons as

things are, namely that such action would be met by superior direct counter-action, and that it would put trade-union leaders who had Parliamentary ambitions in a weak position when they came before an electorate irritated by the consequences of the action, not to speak of the anomaly embodied in a policy of seeking election on a constitutional basis while at the same time endorsing non-constitutional correctives when the constitution works out the wrong way.

Yet see what happens under the constitution as now interpreted. Mr. Bowen presents a claim for a wage-advance to Sir Kingsley Wood. That would be a good thing to do if the Postmaster General had been unaware of the fact that postal-servants were dissatisfied with their earnings. But he knew it already. Everybody knows it. All that has been done has been to inscribe the fact on a piece of paper bearing the signature of the Secretary of the U.P.W. Now, this document has no value except as a record on which Union candidates at some election in the mysterious future may base an appeal for trade-unionists' votes. On a parallel to Jack London's jingle: "We go to work to get the cash to buy the food to get the strength to go to work . . ." the postal servants might say: "We pay our dues to get our man in Parliament to make our claim and when refused to tell us all be good boys and pay our dues to keep him there to make our claim, and keep up our pecker on the post-man's round till kingdom come." The U.P.W. claim is virtually a cheque for £4,500,000 drawn on an account in which there are "no effects"—or, to be exact, an account in which there appear to be no effects, and in which the drawer is unable or unprepared to prove that there are effects.

There is an inpassé. And under existing circumstances the only possible way out is a resort to the use of the one form of bargaining-power recognised by the constitution—namely the power of money. "But what power of money have the workers got?" someone will object. Relatively speaking, none. But there is *some*; and it should be used. It will not immediately take the workers any distance to speak of. But distance does not matter; what matters is *direction*. Now, the way through politics is blocked. Parliament is packed by the bankers. And the way through direct-action is blocked. Isolated resorts to it can be frustrated by financial counter-action: and a general resort to it will be suppressed by brute force, and suppressed relentlessly, because the relations between Britain and her foreign commercial competitors are at such tension that even only a two-day strike on the kid-glove model of 1926 would peg us back dangerously in the international struggle for markets, not to speak of its tacit encouragement to subversive forces in the Empire which would exploit the Government's domestic troubles. There would be no question of Jix's whips, but of Samuel's scorpions. And even if the methods outraged the public conscience, the electors could do nothing: there need not be an election; and, if there were, protesting candidates would be swamped by the three-party coalition. British workers should resist all contact with Communism in respect of direct-action of any kind, not only because (as Communists themselves declare) "Capitalism" will resort to violence, but because, if a Communist Revolution could be conceived as a possible outcome of the struggle, the Communist Government would administer Britain conformably with the policy of international finance. The idea that the power of Communism will grow stronger as and when it conquers new countries is misleading. The name will spread, and the power exercised in that name will grow, but the control of the power will not be used for the ends pictured by the general body of sincere Communists.

Thus there remains nothing for the British worker but to use the money-power he has, however negligible it may appear, in the direction of reducing the balance of money-control between himself at the bottom and the banker at the top. It is not within our competence to prescribe in detail what can be done. But we can propound the principle that, insofar as the law allows, everybody should cease to pay money over to any centralised organisation, and especially to those whose extent is "national." Individuals will, of course, qualify this principle according to their circumstances, which involve prudential considerations such as insurance (outside compulsory insurance) or perhaps conscientious considerations as in the case of the principle, which is that the larger and richer an organisation is the more do its activities contribute to consolidate the bankers' power over policy generally, and particularly their power to ration the economic security of all classes within the community. There need be no conscious connivance by the visible directors of these great institutions: the whole process is automatic.

The Bank (in this context, the whole banking system) is the arbiter of all personal incomes. It is the custodian of the "effects" out of which income may be drawn. Its word is final as to the amount of those effects. Its decision on their distribution is binding on Governments and Capitalists alike. In principle it keeps, as it were, three accounts in the name respectively of wage-earners, salary-earners, and dividend earners. The claim of the part of any one group for more money the Bank has the power of refusing; and the refusal is based on the ground that the concession of the claim must be at the expense of the other two, whose combined resources are insufficient to meet it. That is why Mr. Bowen's claim was passed on to Mr. Neville Chamberlain, who has passed it up to the Treasury (i.e., the Bank) for a reply. In due course Mr. Bowen's claim for £ s. d. will be disallowed on the W.S.D. principle—i.e., "Salaries and dividends can't stand it." And at the present time the recipients of salaries and dividends could prove it themselves if asked to. Thus, on the figures, there is no margin for the improvement of anybody's financial position.

Now these figures are technically accurate by bankers' rules of accountancy but entirely false as indicating the limit of the effective purchasing-power distributable. Eventually they will be challenged and investigated on behalf of the community. In the meantime the wage-earner, insofar as he is able to keep the expenditure of his money under his own control, is taking *direct action* to retard the rate of the above falsification; and if in addition he support the growing movement which is pressing for the aforesaid general investigation—that is to say, to join, or help to form, or to be, a centre of Social Credit propagandist activity, he is taking the only sort of *political action* which will help him towards his desires. The old proverb: "A bird in the hand is worth two in the bush" holds here, and all the more so because, if we may take the bush as representing the Bank's ledger displaying the nation's resources, we can say: "Whenever any bank sells a security it destroys a deposit. This statement made by Mr. Reginald McKenna, means that when a bank sells bonds or shares for any sum of money, it destroys that amount of money, and holds the remainder to be all that the community has got or are entitled to get. The relevancy of this information is that when large centralised institutions draw money from private citizens, they become

buyers in the market where the banker sells his bonds, and although the banker does not do all the selling there by any means, he catches some of the mugs, and to that extent takes money clean out of circulation. This is only one of the ways in which he does it—we put in this caveat in case some smart critic should point out that the declared sum total of bankers' investments remains relatively constant. And even if the investment-sale did happen to be the only way he could hide the nation's financial property, his balance-sheet figures of investments would not show whether he had been doing so, or to what extent, because the figures of his holdings at any time are simply his own valuations, and are probably only a fraction of the current market value. In fact, when the "Grand Financial Assize" (so to call it) is held, the verification and re-assessment of the bankers' investment holdings will be an important part of its duty. But to revert to the buying of shares by the organisations referred to, even when the seller is not a banker, he is frequently someone who has to repay a loan to a banker, and uses the money to that end; and the effect is exactly the same as if the sale had been made direct. Money has gone from the national wage-fund (not to speak of strike-fund!) and is nowhere to be found when people like Mr. Bowen come along with their wage-claims. Even Mr. Hodges, when Secretary of the Miners' Federation, which had long been accumulating fighting-funds against "The Day," recalled in a speech that the Federation started a certain strike on an overdraft. Whether he deposited securities was not stated, but if he had any to deposit, they may easily have been sold him by the bank to which he now applied for an overdraft. As a generalisation it is reasonable to say that Trade-Union investing is one of the originating causes of the rank-and-file's money-scarcity, out of which strikes proceed. The moral is unmistakable, and the only open question is the extent of the present legal opportunities for applying it.

One thing we have no hesitation in recommending, which is that trade-unionists contract out from the political levy. If they are politically minded let them go in for pure politics—politics without parties or politicians—politics without economic antagonisms—convergent and constructive politics—dividend-paying politics—*Social Credit Politics*. Let them remember that the bargaining-power of their official leaders remains what it is whether they are in Parliament or not. It rests, as it has always rested, on the power of trade-unionists in the field of industry to *make it worth while on balance* for employers to meet their claims. When, once, employers were low their pride and pay out a bit more under pressure rather than risk a stoppage of work and profit. Subsequently they organised against Labour, and the bankers went on organising against them; and now the bankers have organised both, put them in a sack tied with a string of mortgages and bidden them to shake hands over the half loaf which is all he says he can find for them. There is nothing to be done now but leave the "capitalist" right out of the question and, by speech and action as described, to counter the policy of the banker. It does not sound thrilling advice to the ordinary worker to tell him thus to mount on lone foot up the bottom steps of the economic tube station, but a short way up and round the corner he will fall in with company—and surprisingly assorted company too. For adversity makes strange tread-fellows on the escalator. The Social Credit Movement is not one big movement: it is a thousand solitary trickling streams of independent effort which, through a succession of class-confluences, will at the last bear the majestic ship of State out into the wide ocean of economic security.

Current Sociology.

The partial report available of the Glückstein memorial lecture at the Institute of Chemistry by Sir Frank Smith, the Secretary of the Royal Society, recalls the curate's egg. Sir Frank appears to have concerned himself, to the detriment of more important things, with the steps to be taken "to produce goods better and cheaper than our competitors," a never-ending process, of course, by which the competing parts ultimately destroy the whole. Earlier in his lecture, however, Sir Frank commented on present-day sociology in the manner to be expected of a scientist and a citizen. He confessed that while he could see the progress made during the last century in science he could see none in banking and politics:—

"The place of science in the national crisis and its position in paying national dividends have not received the attention which they deserve."

The phrase "national dividends" can hardly be a coincidence. The word "paying," unfortunately, is anticipatory rather than descriptive. Although science and applied science, invention and organisation, have progressed enormously during the last century they have succeeded in actually paying only a tiny fraction of the national dividend of which they are undoubtedly capable. The increased longevity of mankind is a tribute to hygiene and curative medicine, and is a true national dividend. On this single issue, however, the development of the medical research stations, namely, the hospitals, has been disgracefully hindered by lack of credit, while medical students have had to cudgel their brains to invent begging devices as a condition of their learning medicine. In this, as in other fields, the dividend which science might have delivered has had to remain largely potential. In the field of industrially applied science the dividend is called "overproduction," and the failure to declare and pay it has led to the cutting down of the dividends which science was able to pay in other fields, medicine, entertainment, education, etc. In mankind's attack on scarcity and its bid for leisure, science and industry have used up-to-date weapons while bankers depended on slings and arrows. That mankind, allowing the bankers to usurp command of the army, and to blame the troops for every setback, should have been defeated up to now, should surprise nobody, and it is good to see scientists beginning to insist that the financial wing should come into line. Finance is as yet a rationalised system only in the Freudian sense. Its reasons flow from its prejudices and practices.

The Banker for December is accompanied by a letter which draws special attention to an article entitled "The Government's Tasks," and invites quotation. "The Government's Tasks" is an amusingly naive commentary on Mr. MacDonald's speech at the Guildhall banquet on November 9.

"No surprise need be felt that the King's Speech and Mr. MacDonald's own speech during the debate on the Address, both of which were delivered the following day, added little . . . for the Government obviously had to retain a free hand."

Mr. MacDonald's speech on the 9th being a hostage to the City as regards policy, he obviously could not commit himself in Parliament or give any additional information to the country. The article provides reasons why the stabilization of sterling should not be attempted too soon. In the usual way when finance is discussed it quietly takes for granted that the chief aspect of the subject is the moral one.

"In currency matters, as in life generally, a man can slip once and be forgiven. He must not slip a second time."

It must be comforting to belong to those editorial

staffs where neither thought nor memory is ever called into use. The picture of the history of English banking as distinguished by just one exceptional slip that proves the moral rectitude of the whole is no doubt deeply consoling to the banking profession. But the Sunday-school analogy chosen is as wide of the mark in what it illustrates as in what it says. In life one slip is usually too many, whereas the slips of bankers have to be forgiven unto seventy-times-seven. The banker will never be able to confess himself until he ceases to be over-concerned about the morality of finance and begins to consider the basis, purpose, and expansible technique of credit.

The *Banker* also reports Brigadier-General Sir Arthur Maxwell's Presidential Address to the Institute of Bankers. Just such an address might have been delivered by any undergraduate after reading one *Times* leader, or a lecture by Sir Josiah Stamp. Sir Arthur agrees with Sir Josiah even to a peroration calling for "hard work and continual research in the broadest meaning of the term," which means, as everybody ought to know by this time, going to meet a person along all the roads he is sure not to use. Sir Arthur almost repeated Sir Ernest Musgrave Harvey's claim before the Macmillan Committee that "bankers must not be brought into the whirlpool of party politics," and that

"it is in no small measure due to the Government trusting the bankers to carry on their own business without interference that our banking system has been developed on a sound financial foundation."

Sir Arthur's evidence for our sound financial foundation is that we have avoided serious bank-failures, which is in actuality, of course, only testimony to England's willingness to bear enormous sacrifices of real-credit—and of the standard of living—to preserve the banks. Sir Arthur speaks of the "fall in price-levels, and other developments over which we had no control," instead of the objective fact of the fall of demand which, as the banks had been warned, led inevitably to stagnation because the financial order of the house was so far behind the scientific and industrial. That demand could be partly controlled during war, and not at all during peace, is itself evidence enough that the banking-system had failed. Sir Arthur's presidential address must have struck the enlightened member of the Institute as the possible cause of the cosmopolitan phrase, the bunk of England.

One of *The Banker's* editorial items is significant. A committee appointed by the International Chamber of Commerce to enquire into the monetisation of silver has just delivered

"undoubtedly the sanest and most practicable of recent documents on the silver question . . . The report begins by recognising the extreme improbability of an early adoption of bimetalism."

As the committee included Mr. E. L. Franklin, of Samuel Montagu and Co., the report may be regarded as official. Mr. Franklin may also be a possible source of the committee's recommendations.

"The Chamber of Commerce should try to bring refiners into a sales agreement with the Government of India. Governments should study ameliorating gold shortage by issuing notes against silver without monetising or fixing the ratio of silver to gold. Subsidiary coinages should be restored to their pre-war fineness. Finally producers should institute research to extend the industrial use of silver.

All these proposals are designed to limit the supply and expand the demand, and to convert communities into forced buyers of silver after they have largely learned to dispense with it. Subsidiary currencies are a form of token money which bears a definite relationship to the standard currency. Their constitution is of small importance. And the

sooner real credit is exploited for prosperity's sake the less importance will be attachable to the material of money, apart from its purchasing-power. Since commodities, including silver, are underconsumed because of an error in pricing in relation to cost, all efforts to monetise silver are subterfuges for escaping from the general obligation; they are the silver lords bid for self-preservation at the expense of sacrificing the communities.

A magazine published half-yearly ought to contain matter of importance for at least half a year. Such a magazine has elected itself to be six months ahead of its time at the date of publication in order not to be behind the times before its next issue. That aspect of half-yearly publication seems not to have been thought of by the editorial board of "The Manchester School," which welcomes graduates of Victoria in particular as contributors. Professor G. W. Daniels, the president of the board, contributes to the autumn issue over five-thousand words on "The Present Economic Situation," which ends on the note that "although there is much that is disturbing . . . it is hard to believe that England has permanently lost, etc., etc." Why will professors write in this way. Certainly, a judge's summing-up must be judicial, for the reason that either he or the jury is going to give a decision, within a limited time. But most professors, especially of economics, apparently become judicial to prevent the emergence of any clarity whatever. In the case of Professor Daniels's article the lack of progress towards decision seems due to his genius for putting the cart before the horse; with the consequence that he leaves quite simple questions as unanswerable.

. . . dislocation is invariably accompanied by a fall of prices, which is widely attributed to an imperfect operation of monetary factors, though it has yet to be convincingly shown that the operation of these factors must be the primary cause, and the fall of prices more than a manifestation of the dislocation.

The fall of prices has earlier been acknowledged by the professor to be the cause of dislocation from the standpoint of the producer. The purely descriptive term "dislocation" is merely a pretence that economics resembles astronomy in that it can be studied, but not in any way controlled. If economics is not an applicable science it is a waste of everybody's time. If the people are to study it only to learn that there is no solution they would be better off in the more humane branches of the University.

After leaving as unanswerable such questions as whether in the past the redistribution of productive power among commodities other than those actually produced would have equated potential supply and effective demand, and whether the present dislocation can be regarded simply as a repetition of previous dislocations, the professor nearly comes to brass tacks:—

" . . . Account must be taken of the enormous development of world-production in recent years, so great that as regards foodstuffs and raw materials and many branches of manufacture, it has been largely in excess of the growth of the world's population . . . and it may well be that, in some directions . . . the potential output now exceeds effective demand."

Whereat the professor adds that,

"if such be the case, a speedy recovery from dislocation cannot be confidently expected, for it will probably require a prolonged process of readjustment to bring supplies into appropriate relations with effective demands."

Such stuff the minds of undergraduates are fed on. What if productive capacity does increase faster than population? Let the gnashing of the Malthusians' teeth be drowned by the shaking of babies'

rattles. What if the ghost of famine has been finally laid? Need we be so short of resource for distribution as to have to drench the sands of the seashore with tears of chagrin? In this age of over-production and under-employment can no professor spare time to ask why effective demand is not rapidly raised to the level of mankind's needs and desires? Can no professor disentangle his ideas sufficiently to investigate what effective demand is, and why demand in the shape of need is ineffective? Whether there is balm in Gilead has been answered by the professor. But he does not help to provide a physician.

All this muddle of blessed words and inverted thinking, commonly dignified by such qualifications as temperate and restrained, may be due to the potential power of thought among professors being less than the need of the problems for solution. "Economics," as known to the schools, defines the purpose of economics, but it does not even investigate the purpose of an economic system. Many of its exponents affect to study the laws of the production, distribution, and exchange of wealth, but they have never clearly agreed on the purpose of these processes. Their economic laws, without their knowing it, are contingent on the prejudices held by the dominant personages in the financial system. They accept the convention that the purpose of an industrial system is not to produce wealth for distribution but to compete for trade. They assume that the workers' purpose is not to gain a living but to obtain work. They are able to conceive of potential output but not of potential demand; and, in consequence, while they can solemnly suggest the limitation of supply to the effective market, they simply cannot see the possibility of a control which would expand the market, to coincide with mankind's desires. Because of their psychological effect on the future educated citizens of the community, such professors are a serious obstacle to the adjustment of the distributive, that is, the financial, to the productive, that is, the industrial systems. They see finance as morally right and industry as technically wrong. For all they have to suggest in return for membership of a sheltered profession, the world-crisis feared in February by Sir George Paish can happen.

PAUL BANKS.

News Notes.

SOCIAL CREDIT. FRENCH PAMPHLET.—A valuable piece of work has been accomplished by a supporter of the Douglas Proposals in Antwerp. It is the publication of 64-pp. booklet under the title *Securité Economique De L'Individu* which is described as (translated) "An economic essay based on the Social Credit Theorem expounded in the works of Major C. H. Douglas, M.Inst., Mech.E., and in the economic review *The New Age*." The author is "C. de W.," and the address from which the booklet is issued is 28, Avenue Rubens, Antwerp (Belgium). The price is Frs. 5. On the front cover, underneath the above descriptive matter, he prominently displays the opinion expressed in the Bulletin of the Scottish Bankers' Association when reviewing *Economic Democracy* on its first appearance. It runs as follows (translated)

"We believe that Douglas has got hold of a great idea . . . The system of Douglas is a brilliant attempt to attain the objective by a novel method. It is quite practical to bring demand in relation with production, and prices with consumption. It is a most feasible thing to finance new production through the agency of a bank of production. Everybody ought to study these positions."

A note at the foot of the cover says that the booklet

is "published with the approbation of Major C. H. Douglas." The planning of the work is unique in Social-Credit literature. The author has not written an original thesis, but has accomplished the much more difficult task of editing material which has appeared in Major Douglas's books and the columns of *THE NEW AGE* during the last several years, selecting and assembling it in such a way as to present a coherent and illuminating account of the subject in both its technical and political aspects. An idea can be given of his method by reciting a few selected features.

P. 3. Definitions of the true purpose of the production-system and the real nature and function of money.

P. 4. Mr. McKenna's familiar dictum on the effect of bank loans and repayments—i.e., the creation and destruction of credit.

P. 5. Assertions of the high productive capacity of modern civilisation. For example: "*La force productrice de l'humanité est formidable.*" [We like "formidable." In one sense it conjures up a picture of the bankers whispering to each other: "I don't know what the people think of this formidable power of supplying commodities; but it terrifies me."]

P. 6. Assertions of the fact that the bankers and their ticket-system stand between peoples and products.

P. 7. The whole page is occupied by a reproduction of the diagram that appears in the familiar pamphlet "The Key To World Politics," in which the clash between "La Politique De La Famine" at the top is imposed on "La Politique De L'Abondance" at the bottom.

P. 8. Here begin a series of "examples" of technical expositions—all of them selected by the author for the evident purpose of forestalling the familiar and inevitable criticisms which the A + B Theorem provokes. He has chosen four long passages of expository matter which have been published at different times in Major Douglas's books and in *THE NEW AGE* on this "core" of the whole problem. The section devoted to it extends to page 22. The constructive as well as the analytical aspect of the subject is given its right emphasis—the method of applying consumer-credit by way of price-discounts being presented on Major Douglas's lines and based on his own writings.

P. 23. "The Gold Standard." Comments on the exchanges.

P. 33. "Industrial Questions." Comments on the exchanges.

P. 36. "Reparations and International Debts." This section is built up of passages which discuss the question with particular reference to France. They are all selected to win French sympathy, and range from technical analysis of the debt-problem to exposures of high-financial intrigues affecting French interests.

P. 51. "Political and Philosophical Reflections." Among these is a short analysis of Marx's doctrine, leading up to the conclusion: "*Ce qui manque à Karl Marx, c'est la formule du Prix Exact.*" "Marx thought that the possession of the means of production (which the capitalists now have) would have given control." This (concluding) section finishes with a recital of Major Douglas's well-known "Four Points," as the author calls them—briefly, to indicate them: (1) credit belongs to the community; (2) cash credits shall always equal prices; (3) the sole function of finance is to get things consumed; (4) banks should be public servants, not private monopolists.

Quite properly, throughout the book, the author gives no indication that any passage is quoted from other Social Credit literature. Everybody, the Frenchman included, likes his food fresh—and as the new reader is naturally unaware of the fact that Social Credit is perennially fresh, it would have been silly to let him know beforehand that he was being offered an anthology stretching over ten years. If he finds it out afterwards it won't matter a scrap—he will have got his money's worth, and, as we have already indicated, perhaps a great deal more for his money than cated, perhaps a great deal more for his money than from an original composition. As a matter of fact this booklet is essentially an original composition; and we are sure that if we translated it into English as it stands everybody would agree that it had broken new ground.

Music.

Some time ago I alluded here to some stimulating articles by Mr. Newman which might have been entitled "Towards a philosophy of Musical Criticism" in the course of which Mr. Newman laid down some very interesting ideas while denouncing that form of impressionistic sentimentality which reaches its final logical (or illogical) limit of absurdity in the opinions of the person who "knows what he likes"—as if anyone on this earth did, before he gets "what he likes"! Briefly Mr. Newman's thesis was this, that anyone's personal reactions to any given work (what he nicknamed the "sensitized plate" method of writing about it) were utterly valueless and without interest or importance as compared with an elucidation of the actual nature of the work, the processes of mind of the composer as exposed (or not) in the course of the unfolding of the work, the idiosyncrasies of his musical-mental physiognomy as revealed in the structure and nature of his writing—a kind of musico-psychological anatomy in fact. I also had occasion to remark how in the review paragraphs which followed, Mr. Newman promptly proceeded himself to do the "sensitized plate" business *con brio ed amore*. What particularly amused me at the time, and more especially now in the light of what follows, was Mr. Newman's ridicule of D. H. Lawrence for saying, I think apropos Rozanov's *Solitaria*, "He is the only Russian who ever said anything to me," or something of the sort, implying that such an observation was utterly valueless as criticism, was in fact the "sensitized plate" business in excelsis I remember that Mr. Newman did not actually mention Lawrence's name as the author of the remark, thereby I think being guilty in a sense of cooking the evidence even if involuntarily. Now the remark emanating from any Tom, Dick or Harry would, anyone would readily admit, be utterly valueless, but its coming from a writer of Lawrence's eminence puts a very different complexion on it, especially as about another writer. This I think was the flaw in Mr. Newman's argument. But the sequel which I came across a day or two ago in a prospectus apropos some books of Henry Handel Richardson is diverting. In this prospectus—Mr. Newman, not mark you a writer or literary man of any distinction—whatever his abilities as a musical critic—expressing his opinion about another literary work, but a musical critic writing about a novel is quoted as saying that a book by the author in question moved him as certain great music does. Very pretty and impressive (or not!) no doubt, but what about the "sensitized plate" now? And why Mr. Newman, a musical critic, on a novel of Henry Handel Richardson should be presumed to have more weight or validity than D. H. Lawrence a writer of unquestionable eminence and distinction on Rozanov another writer, is I am afraid not especially clear to me. If Mr. Newman really believes in the complete valuelessness of what he is always doing about something he really does know something about or rather, one might say on which his very great knowledge and experience justify him in expressing opinions, why I wonder should he believe apparently to the extent of allowing it to appear in print, in doing this same thing about something for which he obviously possesses no special qualifications at all? And while on this topic, an aspect of what John Payne used to call "the modern mania for pronouncing judgment on matters of which one is totally ignorant," one Hutchings in the current num-

ber of the *Musical Times* the general tenour of whose remarks suggests that reporting the annual village concert for the local East County Gazette would be fairly within his limits, presumes to pontificate on Mahler adjudicating if you please as between the merits of the Master's VIIIth Symphony and his *Lied von der Erde* to a discussion of which critics of the eminence and authority of Guido Adler, Dr. Paul Stephan, and Paul Bekker, men of known repute and recognized authorities on Mahler's work, hardly presume. If Mr. Newman's efforts tend ever so little to the elimination of this sort of callow impudence and the ignorant effrontery of the uncooked which at present rampages unchecked wherever anything that can even ever so loosely be called Musical Criticism is to be found—the notorious "Music Pages," of certain dailies are as one might expect the happiest of happy hunting grounds for all such—he will as the Brahmins say acquire much merit.

Wireless. B.B.C.

Twice recently I have had the pleasure of coming across the unexpected plum of some really fine piano playing in two otherwise dull and stodgy programmes. The pianist on both occasions and in the same week—the Glazunov piano Concerto in F minor—was a young North Countryman well known in those parts so it appears—Stephen Wearing. Here is everything a pianist should have splendid technical mastery, fire, glow, enthusiasm, nervous force, fine sensitive command of phrasing nuance and colour, and I have no hesitation in roundly asserting that there is no English pianist of the younger generation or for that matter of any, who can approach Mr. Stephen Wearing. There are the makings here of a great artist and if Mr. Stephen Wearing should see progress as he is going, the next few years should witness the emergence of one of the most remarkable pianistic personalities of our times who will do much to redeem English piano-playing from the ridicule and reproach that the too long and great influence of a certain school of piano-stool Isadora Duncan-acrobatics have brought upon it. The elegant and dignified commonplaces and refined clichés of the Glazunov concerto took on at his hands an importance and significance due to the fine mind and high musical intelligence of the player, and the dash *brio* and *elan* of the whole performance were wholly enchanting and delightful.

On a later night we had a poor performance of the marvellous *Song of the High Hills*. This most transcendental Delius was given with a wooden rigidity and an apparent lack of understanding and sympathy that partially ruined it. Apropos of this work the cogency and mastery of whose inner essential logic and coherence became more convincing and patent with every hearing revealing the only possible form conceivable for the work one that is unthinkable apart from it. The only rational conception of form I remember on the first or second hearings of this work hearing an otherwise intelligent amateur say the work was formless because quite probably it does not lend itself to the sort of "formal analysis" beloved of the programme-spirit-gentry and the Musical Appreciation Supply Stores. The ineffable loveliness of the work, within its own actual beauty, its utter "rightness", its supreme sphere and according to the standards of its own universe were lost on him, counted for nothing because he could not find his first and second subjects, his ex-position, development, recapitulation, his antithetical seesaw of phrase against phrase (two bar three bar or what not!). The fundamental *impropriety* of these things in connection with such a work did not occur to him—the absurdity, which would be about equivalent, of expecting to find Pope's versificatory technique in Mallarmé!

KAIKHOSRU SORABJI.

This Business of Imports.

The recent fluctuation of exchanges, and the bedevilment of trade arising from it, has served as a text for yet another crop of objections to Social Credit. Opponents have always stressed the vulnerability of this country in the world's markets if once she departed from the straight and narrow way of financial orthodoxy, but not a few of those who are satisfied as to the soundness of Social Credit principles are wondering what would happen if Great Britain took the plunge alone.

They point out that the lowering of prices in the home market will bring about a largely increased demand for many goods requiring for their production the import of raw materials, and they ask how we can pay for these largely increased imports.

First, it is well to note that if Social Credit were adopted by the British Empire as a whole, with a common currency and credit system throughout its Dominions and Dependencies, the problem would not arise. The Empire contains within its boundaries all the necessary physical resources for a high standard of living for its peoples, and the problem would be reduced to the physical one of applying modern sources of energy to these physical resources.

But if Great Britain were to adopt Social Credit ahead of the rest of the world, what would happen as our imports rose?

Great Britain would have finally discarded both gold and the absurd practice of foreign borrowing, so that the goods and services she would import could only be paid for by equivalent exports, and if the foreigner would not buy our goods and services, the exchanges would move against us, and the £ sterling would depreciate badly on foreign markets. It might be argued that in the long run this situation would be self-correcting, because when the depreciation had proceeded far enough the foreigner would scramble over his tariff wall to pick up the quantities of bargains to be had; but, assuming that Great Britain was out for a fair deal, and not for philanthropy, she would have at least two courses open to her.

She might approach the foreigner and say: If you will organise an Export and Import Board to deal with realities, I will do the same. We will then cut out the Banker and the Bill Broker, and trade as friendly savages—a blue monkey for a white elephant. What do you say?

If the foreigner were to reply that the method seemed to him unnecessarily crude, Great Britain might make another offer, and say: On a basis of internal price levels, my currency ought to exchange with yours at such and such a rate. If you will agree, with me, to peg our currencies at that rate for six months, I will guarantee you (say) a 50 per cent. increase in orders for certain raw materials; both the exchange-rate and the percentage increase to be revised at six monthly intervals.

That would be a business proposition. Great Britain might even agree to a somewhat adverse exchange-rate, in the knowledge that, if her exporters could not quite get their prices over the hoist, the National Credit could be used for the final hoist.

The foreigner might, of course, object that, as the exchange was the business of the Central Banker, he could not give any such guarantee. That would clarify the situation. It would bring the Central Banker right out into the limelight, which he so carefully avoids, in the appropriate rôle of the villain of the piece; and it would become obvious that the real industrial conflict was not between employer and employed, but between industrialist and banker.

Our critics might be excused some nervousness

if buyers were in excess of sellers in the world's markets. But, conditions being what they are, sellers will take orders for their various gluts on almost any terms, and if the terms are that they must either take goods and services in exchange or pour their stuff "down the drain," they will take the goods and services. They are well nigh desperate for orders.

A. W. COLEMAN.

"This Money Maze."

A booklet is in circulation called *This Money Maze*, the author of which is Dr. Robert Eisler. Sir Thomas Barclay contributes a foreword, and Sir Josiah Stamp a preface. The publishers call themselves the London Search Publishing Co. The price of the booklet is 1s.

Sir Thomas Barclay tells us that Dr. Robert Eisler is one of those observant thinkers with his eyes open to all the phenomena of race, climate and geographical situation, and finishes his foreword by the following: "I can only say that I find his reasoning, so far as I am concerned, unanswerable."

Sir Josiah Stamp claims that the greatest need of our age is a "conscious public opinion, determined to have a yardstick for its most vital relationships that is not made of jelly or elastic." (His italics.) He lays particular stress that "the problem of the price-level is the most important single problem of our age," and winds up by stating that "to clear away what Irving Fisher calls the 'money illusion' is the first necessity of thinking to-day on social questions."

With such a promising note as this one settles back with anticipation to read Part 1, "The Monetary Causes of the Present Economic World Crisis," to discover that in many places there is a striking similarity between the method of approach and that employed in the social credit analysis. It is somewhat difficult to nail this similarity to any one expression, but the following examples are sufficient to show the trend of thought.

Page 18: "In 'manufacture,' in the second quarter of 1930, 75,000 workers less than in 1924 have produced 7.5 per cent. more, the individual productivity having increased by 9.3 per cent. and real wages about equally. This means that this group of the working class has seen its purchasing power diminished by the amount of the total salaries of 75,000 men."

Page 21: "That labour is unduly cheapened in periods of credit expansion or currency inflation is well-known to all experts and will be easily understood by the reader if he will remember that, because of the resistance offered by employers to an increase of wages these follow a rise in the general price-level very slowly."

Page 24: "The unavoidable delay in the adaptation of the price of labour to the drop in wholesale prices must of necessity bring about an increased mechanisation of production, a proportionate reduction of the man-power employed and, therefore, a reduction in the aggregate purchasing power of the working classes approximately equal to that which would have occurred had the wages of each workman been reduced immediately in a similar proportion." (His italics.)

Page 26: "The fundamental conclusion of the whole foregoing analysis is this: both inflation and deflation, both credit expansion and credit restriction . . . create a disproportion between production and consumption." (His italics.)

After drawing with the skill of a lightning sketch artist a vivid portrait of financial events since the War, he describes the gold standard as follows:—

"Having paid out £200,000,000 as a last sacrifice of despair before the man-made, man-eating idol of the old un-compensated and unstable gold standard, the Bank of England did on September 20, 1931, what it might have done on July 15, had it not been for the City's almost ineradicable devotion to this archaic Moloch-cult; almost ineradicable devotion to this archaic Moloch-cult; convertibility of its notes into bullion at the pre-war mint-price was suspended—for good and ever, if an atom of sense is left in this world of error and confusion."

Referring to the sudden supersession of the Labour Government in August, the statement is that—

"the chronic weakness of the £ was not in the remotest way connected with the state of the British budget: witness the fact that gold was and is still pouring into the vaults underneath the Bank of France, although the French budget is faced by a deficit of five billion francs, and although France has spent considerably more on her new

marvellous frontier fortifications than the U.K. on its unemployed." (My italics.)

There is much more valuable matter of fact and figure for those who can lift it without being snared by the subtlety of the contexts.

Part 2 gives Doctor Robert Eisler's solution—"A Stable International Monetary Standard." The old edifice is to stand by being enlarged. A conference of nations is to be convened to peg their exchanges into one united system which may then be steadily inflated in accordance with the increasing demand of industrial expansion.

In the last paragraph we read:—

"It will be possible steadily to raise the standard of life of the masses without overturning, the social stratification, established through *historical and biological selection* (my italics), and without abolishing the difference of economic potential between the superimposed strata which is necessary in order to maintain and stimulate economic effort. (My italics.) . . . The proposed very simple currency reform has the indubitable advantage of not presupposing the previous establishment of an omnipotent dictatorship capable of obtaining a maximum of economic effort from a community deprived of the powerful ever-present stimulus of profit, or a moral progress of humanity such as has never been experienced throughout the historic past and is not likely to occur in the near future." (My italics.)

My object is not to review this book, but to give an outline of its contents in order that readers of THE NEW AGE may know what kind of policy is now being put out and popularised in competition—so it appears—with Social Credit.

R. E.

NEWS NOTES.

SOCIAL-CREDIT PUBLICITY IN AUSTRALIA.—The new evening paper, *The World*, in its second number, publishes an excellent summary of the Social Credit Proposals under the caption "Douglas Credit Plan Described: What National Dividends Would Mean, and How They Would Induce Consumption." The summary occupies nearly three-quarters of a column, and is evidently a composition of someone thoroughly conversant with the subject, and equally competent to explain it. The New South Wales Douglas Social Credit Association is redoubling its efforts. It is building up a panel of speakers, and is engaged in a drive to get branches formed all over Australia. According to the latest private reports, attempts are being made to negotiate the publication of a "standardised" series of "Douglas" articles in two hundred country newspapers.

CURRENCY AND POLITICS IN AUSTRALIA.—*The World* (October 27) reports a meeting at the Town Hall the previous night, at which a resolution was passed calling upon the Government to issue £10,000,000 worth of notes against the security of the N.S.W. Government Savings Banks' assets (which include £30,000,000 in Australian Consols). The report says that "a rising public sentiment . . . reached heights of enthusiasm at [this] meeting of depositors." "Representative of all sections of the community, the spirit of the meeting was emphatically that the Commonwealth Bank should take such action to restore the credit of the G.S.B., as it was prepared to take, according to Sir Robert Gibson's express statement, in the event of a run on its own resources, and as it was prepared to take in the interests of the W.A. Savings Bank." The allusion we italicise is of course to Sir Robert's famous broadcast assurance to Commonwealth-Bank depositors that this Bank could create currency up to the full amount of all its liabilities, whatever the figure might reach. The report says that "both the Prime Minister, Mr. Scullin, and the Federal Treasurer, Mr. Theodore, refused to comment to-day" on this resolution. We are not surprised; for what the Commonwealth Bank wants to do is to absorb the N.S.W. Bank and to guarantee depositors only 10 per cent. of their savings for the present (deposits under £10 payable in full), and to pay the balance at some indefinite future date. The justification of such a scheme will be impossible to establish in view of Sir Robert Gibson's virtual admission that currency is indefinitely and costlessly expandable. . . . Mr. Lang, the N.S.W. Premier, seems to be getting into a bother with his financial policy. A paragraph in *The World* (October 27) says that under the "bus tax" which he has imposed, "a company whose gross revenue amounted to £25,000 would be expected to pay £20,000 per year tax." If this is true, N.S.W. Labour looks like meeting trouble on polling day.

Notice.

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.

A Pioneer.

[The following extract is from "The Story of My Heart" (1883), by Richard Jefferies, naturalist, writer, and mystic. Jefferies seems to have felt, or rather to have known, the sun, the wind, and the strong earth more fully than any English writer except perhaps some of the poets. The following very close approximation to the philosophy of Social Credit must have come to him not so much by way of the intellect as of the Imagination:—

which, in truth,
Is but another name for absolute power
And clearest insight, amplitude of mind,
And Reason in her most exalted mood.

—M. J.]
The most extraordinary spectacle, as it seems to me, is the vast expenditure of labour and time wasted in obtaining mere subsistence. As a man, in his lifetime, works hard and saves money, that his children may be free from the cares of penury and may at least have sufficient to eat, drink, clothe, and roof them, so the generations that preceded us might, had they so chosen, have provided for our subsistence. The labour and time of ten generations, properly directed, would sustain a hundred generations succeding to them, and that, too, with so little self-denial on the part of the providers as to be scarcely felt. So men, now, in this generation, ought clearly to be laying up a store, or what is still more powerful, arranging and organising that the generations which follow may enjoy comparative freedom from useless labour. Instead of which, with transcendent improvidence, the world works only for to-day, as the world worked twelve thousand years ago, and our children's children will still have to toil and slave for the bare necessities of life. This is, indeed, an extraordinary spectacle.

That twelve thousand written years should have elapsed and the human race—able to reason and to think, and easily capable of combination in immense armies for its own destruction—should still live from hand to mouth, like cattle and sheep, like the animals not even be roofs to cover the children born, unless those children should not expend their time to pay for them, that there should be clothes, unless, again, time and labour are even expended to procure them; that there should not be even food for the children of the human race, except they labour as their fathers did twelve thousand years ago; that even water should scarce be accessible to them, unless paid for by labour! In twelve thousand written years there are people so organised itself for its own comfort. It is so marvellous and I cannot express the wonder with which they glory in more wonderful still, if that could be, that they glory in this state of things, declaring that work is the main object of man's existence—work for subsistence—and glorying in their wasted time. To argue with such is impossible; to leave them is the only resource.

This our earth this day produces not only a sufficiency, but a superabundance, and pours a cornucopia of good things down upon us. Further, it produces for years stores and granaries to be filled in one year produced ahead. I verily believe that the earth in one year produces enough food to last for thirty. Why, then, have millions of people die of starvation? Why have millions of miserable existence on the verge of it? Why have millions upon millions to toil from morning to evening just to gain a mere crust of bread? Because of the absolute lack of organisation, by which such things are possible. Nay, effect, the absolute lack of distribution, the absolute lack of the very idea that such things are possible, even to mention such things, to say that they are possible, is criminal with many. Madness could hardly go farther.

That selfishness has all to do with it I entirely deny. The human race for ages upon ages has been enslaved by ignorance and by interested persons who purposely imposed upon millions of men, thereby doing more injury than if with infected hands they purposely imposed disease on the heads of the people. Almost worse than these, and at the present day as injurious, are those persons incessantly declaring, teaching, and impressing upon the interested superstition of an age infatuated with money, which, having accumulated it, cannot even ex-

pend it in pageantry. It is a falsehood propagated for the doubtful benefit of two or three out of ten thousand. It is the lie of a morality founded on money only, and utterly outside and having no association whatever with the human being in itself. Many superstitions have been got rid of in these days; time it is that this, the last and worst, were eradicated.

At this hour, out of thirty-four millions who inhabit this country, two-thirds—say, twenty-two millions—live within thirty years of that abominable institution the poorhouse. That any human being should dare to apply to another the epithet "pauper" is, to me, the greatest, the vilest, the most unpardonable crime that could be committed. Each human being, by mere birth, has a birthright in this earth and all its productions; and if they do not receive it, then it is they who are injured, and it is not the "pauper"—oh, inexpressibly wicked word!—it is the well-to-do who are the criminal classes. It matters not in the least if the poor be improvident, or drunken, or evil in any way. Food and drink, roof and clothes, are the inalienable right of every child born into the light. If the world does not provide it freely—not as a grudging gift, but as a right, as a son of the house sits down to breakfast—then is the world mad. But the world is not mad, only in ignorance—an interested ignorance, kept up by strenuous exertions, from which infernal darkness it will, in course of time, emerge, marveling at the past as a man wonders at and glories in the light who has escaped from blindness.

I know, of course, and all who think know, that some labour or supervision will be always necessary, since the plough must travel the furrow and the seed must be sown; but I maintain that a tenth, nay, a hundredth, part of the labour and slavery now gone through will be sufficient, and that in the course of time, as organisation perfects itself and discoveries advance, even that part will diminish. For the rise and fall of the tides alone furnish forth sufficient power to do automatically all the labour that is done on the earth. Is ideal man, then, to be idle? I answer that, if so, I see no wrong, but a great good. I deny altogether that idleness is an evil, or that it produces evil, and I am well aware why the interested are so bitter against idleness—namely, because it gives time for thought, and if men had time to think their reign would come to an end. Idleness—that is, the absence of the necessity to work for subsistence—is a great good.

I hope succeeding generations will be able to be idle. I hope that nine-tenths of their time will be leisure time; that they may enjoy their days, and the earth, and the beauty of this beautiful world; that they may rest by the sea and dream; that they may dance and sing, and eat and drink. I will work towards that end with all my heart. If employment they must have—and the restlessness of the mind will insure that some will be followed of their physical frames, in the expansion of the mind, and in the enlargement of the soul. They shall not work for bread, but for their souls. I am willing to divide and share all I shall ever have for this purpose, though I think that the end will rather be gained by organisation than by sharing alone.

Reviews.

Britain Reborn. No. 5. Men and Money. (Published by The Co-operative Party. 42 pp. Price 2d.)

There is only time to give the bare announcement of the issue of this booklet. For students of Social Credit the section entitled "Financing Consumption" will be of particular interest. The author advocates the issue of "irredeemable" credit-creation "by which the Co-operative Wholesale Society's Bank would permit retail Co-operative Societies to enable the consumers' market to absorb them" (i.e., goods surplus to pre-existing purchasing power). The booklet is a well-written indictment of bankers' policy and contains many quotations which Social Credit speakers and writers will be glad to note. We hope to deal more fully with this work later. Its appearance is a sign of the times.

Impassioned Clay. By Llewelyn Powys. (Longmans: 6s.) Mr. Orage once said that you might know the real thing in literature by its being disinterested; and this holds good with even an egoist such as, say, Montaigne, who takes a disinterested interest in himself. There is, on the other hand, a class of writing which strikes the reader immediately by its insincerity, and to this class Mr. Powys's latest book belongs. Literary sincerity is hard to define, but it can easily be apprehended by comparing this book with, for instance, Richard Jefferies' "The Story of My Heart," which is not without ability. His short anthropological sketch is neatly turned, and some of his writing is at first sight extremely pretty. But after a page or two his conscious charm plays itself out, and the care with which he chooses

the too-frequent adjective becomes wearisome. He writes of the gnats' "mad saraband": now a saraband, pretty word as it is, is a slow dance, nothing like the gnats', and Mr. Powys must know this very well. Again, the "round jocular shield" of the dandelion "is literally made up of innumerable sceptres"; but this is literally a lie. The tumuli of the Dorset landscape are "like turgid paps on the breasts of a prostrate woman." This brings us to Mr. Powys's literary manliness; he uses bad words with the elaborate casualness of the little boy showing off to his less knowledgeable friends. "I remember," he says in passing, "a harlot I was with as a boy saying as she turned her head upon the pillow . . ." But what do we care how the boy spent his pocket-money? The whole tone of the book is summed up in his invocation: "I begin to write this book on Sunday, June the first, nineteen hundred and thirty. May power come to me through my belly, from the earth, and from the sun." We need not trouble to consider Mr. Powys's argument, for a man who writes like this has obviously nothing to say. M. J.

Young People's Bible Book. By Frederick J. Gould. (Watts: 7s. 6d.)

Working Together: Co-operation Through the Ages. By F. J. Gould. (Co-operative Union, Ltd.: 2s.)

This veteran Humanist has now retold the traditions of the Hebrew race. In clear language he gives episodes from the Old and New Testaments, from the Apocrypha, and the different narratives with the corresponding traditions of other lands and with the Jewish Talmud. Here are none of the horrific threatenings that some of us can remember in the "Bible Books" of our childhood, but an inspiring record of the most poetic imaginings of man. It will not only be admirably suited for the children for whom it is intended, but it will also be of great interest to the adult, who will find here much that is new to him.

"Working Together" gives examples of Co-operation in earlier ages and distant lands, including also a section on animal co-operation. Here, again, the style is vivid and simple, and Mr. Gould has a knack of driving his meaning home. The book is presumably intended for study-circles of the Co-operative Movement, but is suitable also for general use. Intended for the child, it again will be of service to the adult who wishes to know something of the story of human progress. I. O. E.

ANSWERS TO CORRESPONDENTS.

"THE MONOPOLY OF CREDIT."
E. W. H.—Thank you for your letter and cutting. The publication of your other letter by the newspaper you name does, as you suggest, seem to indicate a relaxation of the censorship hitherto exercised by the Press generally over Major Douglas's idea. Your idea of following up the review by a comment on it was an excellent method of testing the question.

THE MACMILLAN REPORT.
A. W. C.—"Some argue that the (Macmillan) Committee was composed of intelligent and versatile members, and that as Major Douglas has failed to convince or convert them, there must be something wrong with his proposals." We agree that this argument is likely to be frequently used. We should answer (a) that early in the Report a statement is made which indicates that Major Douglas's views were excluded by the Committee's terms of reference—hence their silence cannot be made to carry the above construction: (b) that the Report was probably the work of one person (Committees as such, do not compose Reports): (c) that (Committees as such, do not compose Reports) as supposing the proposals had been explicitly dismissed as unsound, the question would still be open:—technically? or politically? There is all the difference in the world between saying that something won't work and saying it shouldn't be let work!

"MERRY XMAS."

"While it is natural for money to be easy immediately after the War Loan dividend payment, it is not usual for extreme ease to persist so long. . . . One explanation heard in the market is that funds are being accumulated and held in readiness for the big income-tax payments due at the end of the month. In particular, it is suggested that whereas, as a rule, a large portion of the War Loan dividend is re-invested by its recipients immediately after its distribution, on this occasion the money is being kept in reserve for income-tax purposes."—*Economist*, 19-12-31.

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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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