

THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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CONTENTS.

	PAGE	PAGE	
NOTES OF THE WEEK	253	THE FILMS. By David Ockham	258
The retrenchment-ramp—showing how a secret bankers' Budget surrounds and controls the public Government Budget—a "bankers' tax in every price."		<i>Grand Hotel.</i>	
IRISH AFFAIRS. (Editorial)	257	NATURE NOTES. By R. R.	259
The Irish Government's export bounties.		Artificial manures.	
KINGSTON CURRENCY. (Editorial)	257	MORE PSYCHO-ANALYSIS. By N. M.	260
A Town Councillor distributes specimens of a proposed municipal currency note.		<i>The Technique of Psycho-analysis.</i> (von Hattengberg.)	
AUSTRALIAN BANK PROPAGANDA. (Reprint)	257	REVIEWS	260
The National Bank of Australia's attack on Social Credit.		<i>The Scientific World View</i> (Wallace). <i>Britain's Trade and Agriculture</i> (Montague Fordham). <i>The Robinsons</i> (Lawson).	
THEATRE NOTES. By John Shand	258	SOCIAL CREDIT IN NEW SOUTH WALES	261
<i>Caesar and Cleopatra.</i>		CORRESPONDENCE	262
		C. H. Douglas, D. J. O'Callaghan, J. G., S. Rigby, C. Eason, A. W. Coleman, C. R. Bence.	

NOTES OF THE WEEK.

The Press last week reported the launching of another retrenchment-drive by the Chancellor of the Exchequer, who is said to contemplate effecting a saving of £60,000,000 on Budget-expenditure with the view of remitting taxes to that amount. Like all bankers' openly-advocated policies it looks good until you look at it. The public have got the notion that if taxation is lowered the community is by so much the richer. The nearest this would come to being true would be in a case where, taking token figures, the Government had been taxing a community of ten persons £1 each and paying the £10 to collect and pay out this money, the community would be no richer collectively in terms of money. There would be a re-distribution of the pre-existing money, restoring to the nine taxpayers, at the expense of the tenth, the £9 which they had been previously compelled to pay to him. The nine would be richer in that sense, but the collective "richness" would remain what it was. The advantage to the community, if any, would be in terms other than that of money. For example, the nine persons or services which the Government had bought on their behalf from the tenth: in which case they could now choose any alternatives they liked. Thus the communal benefit of tax-remission consists in the de-centralisation of control over expenditure and the corresponding widening of the scope of personal choice in matters of expenditure. The lower the Budget figures in relation to the collective personal income of the population the greater their freedom to spend as they like.

Now take another hypothetical case. Suppose all ten persons performed part-time services for the Government, and received £1 each. In that case the tax they paid would be the wages they received; and it would not make any monetary difference to them whether the Budget went down to twopence or up to a million pounds. The difference would be that, to the extent to which the Government handled

money available from taxes, to that extent it would exercise the power to decide what these people should make or do for their wages. If each happened to earn, say, £2 in addition to the £1 paid him by the Government, then the Government would have, as it were, one vote against their two, or one-third the total power of deciding programmes of work and production. If the Government nationalised all the economic activities of the community, it would in effect collect and disburse taxes on the £3 basis, and would be sole arbiter of the form and measure of those activities.

Now under the actual operation of the taxation-system to-day what takes place lies somewhere between these two extreme hypothetical examples. Contractors, public servants, investors in Government securities, all in their various degrees, put up taxes towards their own remuneration. It is a complicated matter to trace out what particular persons or groups gain or lose as the result of any given fiscal policy; but it is clear that in any closed credit area the community receive from the Government the same amount of money as they pay to the Government, provided the Budget income and expenditure balance. In saying this we are disregarding the question of credit-creation and credit-destruction by the banks, and are accepting as a basis of analysis the orthodox assumption that there is at any time a definite collective sum of income which does not alter in amount, but only changes hands.

So there is no such thing as a general burden of taxation in a monetary sense. If a community commands an income of £30, and will spend it in any case, then it is immaterial whether the Government takes £10 to spend for them or the whole lot. The only burden would be a moral one: either that the community might wish to save while the Government compelled them to spend; or, assuming a general willingness to spend, that the community wished to spend in other directions than those chosen by the Government.

Generalising, we can define the "burden" of taxation as the burden of Governmental constraint

on personal initiative in the disposal of income. If there is no constraint there can be no complaint. We speak here of a general constraint, not of particular constraints, which are bound to be suffered under any system of collective expenditure—as for example the case of the pacifist being made to pay for armaments. This general constraint is that of having to pay as a first charge for things which are not one's first choice; and out of an income which will not stretch to cover both sorts. It has become intensified since last autumn, for the margin of freely disposable income has had to be supplemented, over large sections of the people, to meet, not first, second or third choices, but the bare essentials of physical survival. At the top of society ducal castles have been dismantled and closed, while throughout society people have had to move into cheaper quarters, or raise mortgages, or borrow on their life policies, and do other things of that sort—all of them *non-recurrent methods of supplementing income*. The community are approaching a situation where even a general Rowton-House standard of diet and dwelling will involve people in cumulatively increasing debt.

Now the Chancellor of the Exchequer's drive for retrenchment will do nothing to slacken this descent, for reasons already described. In so far as he succeeds in cutting down the Budget estimates he may release a certain block of taxpayers' income for saving, or for spending in new directions (but in the process will destroy income elsewhere). But in so relaxing his constraint he will be handing it over to the financial interests. For the Government's compulsion on taxpayers to pay it what it spends is contained within the Bankers' compulsion on the Government to collect all it spends. There are, so to speak, two Budgets: the Bankers' secret Budget and Parliament's public Budget. The Bankers' contains Parliament's. Both deal with prices and revenue, but in Parliament's Budget prices are disguised under the name of "taxes." The expenditure side of Parliament's Budget reflects a part of the revenue side of the Bankers' and *vice versa*. The Bankers are the ultimate sellers of what Parliament buys, and they are the providers of the money that Parliament spends.*

The bankers control the finance and organisation of all communal enterprises. If these enterprises are pictured collectively as an all-in manufacturing and department-store combine, the position of the Government merely corresponds to that of manager of one of the stores, or of a group of them. Such a manager would buy stock from the Combine at the Combine's price, and would sell it to the public at the Combine's price. That is what the Government does. The Government store differs from others in that the public are compelled to file through it on their way to the open consumption-market, buying all it has to sell (at the Combine's price), and taking only the residue of their income into that market. Another, and vital, parallel is that the Government, as store-manager, *has no discretion (a) to sell at under the Combine's price, or (b) to write off bad debts*. (Both operations of course mean the same thing.) Equally vital truth emerges at the point where the parallel ends; namely, that whereas a commercial Combine might occasionally empower one of its managers to sell below cost, the Banking Combine hold it an axiomatic principle that the Government never shall. (The Budget must always balance.) If it did they would put the store under new management. (That happened last autumn.)

*This is a true generalisation in the fundamental frame of reference where the credit monopoly is considered as the ultimate owner of all property. See article "Property Titles and Property Rights" in THE NEW AGE of August 25, p. 196.

And if successive Governments failed to obey the rule, or made gestures of altering it, the Banking Combine would shut the store up altogether and open another—calling it a Public Corporation or something of that sort. (This is what the *Financial Times* warned Mr. Lloyd George about in its celebrated leading article about bankers destroying the "fabric of Government finance.") And lastly, we come to the most vital fact of all, namely that the Banking Combine reserve to themselves a power which they deny to the Government and exercise themselves when they think fit. That is, they can and do compel non-Governmental enterprises to sell below cost and write off bad debts. On many occasions they have assisted them to do it (a) by excusing them from repayment of bank overdrafts (one cotton-mill alone got let off £500,000 when the cotton-boom broke) and (b) by nursing enterprises which would otherwise fail, often financing them with new loans for the express purpose of enabling them to sell below cost in competition with more efficient enterprises.

The position can be broadly expressed in a simple diagram. Describe a circle and call it "Communal Enterprise." Describe within it, from the same centre, another circle of say about a quarter the diameter of the larger one. Call this "Public Enterprise." You will now have a wide annular border enclosed by the two circumferences. This can be called "Private Enterprise." "Communal Enterprise" embraces the totality of all financial transactions. "Public Enterprise" represents Government transactions.

"Private Enterprise" represents other transactions—if you like, "Capitalist finance." The "Public" circle will represent the area of the public's compulsory purchases at full prices. The "Private" border will represent the area of their optional purchases—at full prices where possible, but at under cost where not. The "Communal" circle will represent the sum of the two systems covering the whole national finance-economy. The relative sizes of the circles are purely arbitrary. They could, if desired, be drawn roughly to scale on the basis of the respective total amounts of incomes and taxes. But it will also be useful to keep in mind another kind of figure, namely the clearing-house returns of the Banking Combine. During the course of a year cheque-transactions are recorded amounting to £1,000 each for every man, woman and child in the community—i.e. roughly £45,000 millions. This figure of course cannot be directly related to the Budget. We quote it for another purpose, which is to indicate the enormous disproportion between the influence of the Government's transactions and that of the Bankers' transactions, or, if you like, the immensity of the area of operations controlled by the bankers compared with the area controlled by the Government. There is another feature to emphasise, viz: that their meaning is hidden from the public, whereas the Government's finance is open to public scrutiny and can be understood by competent representatives of the people.

Referring now to the diagram, it will be seen that within the area of the "public" circle all financial transactions are conducted on the strict rule of selling at full price. Within the "private" border this rule applies, or does not apply, according to the policy of the bankers—and this takes place secretly—and moreover applies to a volume of transactions which obviously is a large multiple of those which the Government carries out.

Now every student of Social Credit who grasps the fact that the collective income of the community

lags behind the collective price debited against the community will realise the real significance of the relative sizes of the two circles. Supposing, for example, and taking token figures, that the totality of income in the "communal" circle is 80, and that the totality of price in the "communal" circle is 100, there must be a default within the communal circle of 20. But since no default is allowed to occur within the "public" circle, the whole of it must take place within the "private" border. Suppose, now, that one conceives the "public" circle to be enlarged, thereby narrowing the width (and therefore, area) of the "private" border, the incidence of the default of 20 will fall with increasing proportionate weight on the operations carried on within the border. And if you go on enlarging the "public" circle until it coincides with the "communal" circle, then the incidence of the default has got to fall within the "public" ring. That is to say, if Government control were extended to cover the totality of communal financial transactions, there would have to be Government default, and this default would have to show in the Budget.

It will be seen that the "burden" of a growing Budget would proceed from its widening of the area of compulsory purchases at full price, and its pushing of a fixed deficit into a contracting area of optional purchases—passing a larger and larger baby to a smaller and smaller nurse—the nurse being "private enterprise." Theoretically there would come a point in the growth of the Government's Budget when the "Budget" of private enterprise would disclose a shortage of communal income equal to the whole outstanding cost of privately-owned plant and equipment. In terms of our above token figures, the Government would collect the 80 compulsorily, leaving the community with no income at all to set against costs amounting to 20.

On the other hand, assuming there were no deficit, i.e., that the totality of personal incomes in the "communal" circle were in equilibrium with prices, it would not matter how large the amount of taxation became, from the point of view of the ability of the public to pay it.

The truth of what we are saying is tacitly admitted in the contention of orthodox finance that you cannot balance the Budget unless you contract its dimensions. This would be manifest nonsense if everything saleable was purchasable; for then, however much income was collected by the Government through "compulsory" sales there would remain enough to be collected by Private Enterprise through "optional" sales. As things are the contention is true—true in the special sense in which it ought not to be true and need not be true. In a Just-Price economy all Budgets would be just.

The converse of this proposition is true; namely that in the existing price-economy all Budgets are unjust. Not only are they so in principle and automatically, as we have seen, but in practice the pressure of the injustice can be raised or lowered at the will of the bankers. If we could cut the Budget down by one-half, the ability of the community to pay the reduced taxation need be no greater than it is now. There is no essential causal relationship between the size of a Budget and the burden of a Budget. Was there ever a time when taxpayers were satisfied with their taxation? If at any time, it was during the war when the Budget was up at record heights. At all other times the burden of taxes has always been a grievance; and the reason has not been altogether "human perversity" as the bankers are fond of suggesting. No; the bankers, by conjuring with their credit-issues and credit-retirements,

can produce a monetary situation in which any scale of taxation down to zero would impose handships. They can thus discredit any Government which imposes any taxes if they so desire. They can refrain, or not refrain, according to whether the Government spends money in directions they approve or not. They are not primarily concerned with the amount of the expenditure but with its object. When you see them leading a public agitation against the amount of taxation you may assume that their object is not to lessen the extortion, but to devote the proceeds to objects of their own.

Anyone might suppose, by reading the newspapers, that the Chancellor of the Exchequer contemplated handing back £60,000,000 of money to the taxpayers. But, without necessarily knowing anything about Social Credit, any students of affairs must realise that a substantial part of that amount must represent losses of income to certain groups of taxpayers. Students of Social Credit will of course see further, and will realise that the "saved" £60,000,000 (a) will be spent in some new direction over the heads and out of the sight of the public; or (b) will be withdrawn from circulation; or (c) disposed of in both ways together. All the orthodox pundits insist that the people of this country are living beyond their means. Is it likely, then, that the £60,000,000 of money now being raised compulsorily will be allowed to flow into the market of optional purchases at the discretion of individual citizens? No, sir: that's all bunk for Dubb.

Let us have another look at our diagram. We've got our circle of Government expenditure inside the circle of communal expenditure; and as the diagram stands it would appear that as the smaller circle contracts—the outer one remaining constant—the annular border must necessarily expand. In other words, as the inner circle of compulsions contracts, the outer border of options expands. That is not so; and we must correct the error in the diagram. This is simply done; and consists in drawing a dotted circle round the inner circle. What size it is drawn does not matter. The dotted circle will enclose the innermost and be enclosed by the outermost. Now this dotted circle represents the area of "Bankers' Compulsion." It represents the field of direct financial control of centralised expenditure—the Invisible Budget of the Bankers, whose secret estimates and taxes embrace and surround the public estimates and taxes of the Government. Bankers' "estimates" are expressible in terms of credits retired from circulation and put to their secret reserves: their "taxes" are expressible in terms of excess charges paid by the public in the prices of goods and services as the automatic result of the existing inflationary system of accounting exposed by Major Douglas. The figures on each side of the account, whatever size one supposes them to be, are of course identical. There is an invisible balance of the invisible Budget.

Now, let us attach token numbers to these circles. Let us assume that the Government's estimates amount to 10; the bankers' to 30; and the capitalists' (so to refer to the revenue requirements of trade in general) as 60. This makes 100, representing, so to speak, the grand total of the communal estimates. Now, the Government's 10 and the bankers' 30 can be considered together as one figure, 40. That is the size of the real taxation to be levied. Observe that, assuming this figure to be fixed, it is immaterial to the bankers, for purposes of "balancing," whether or in what proportions the Government or they themselves get the money out of the community. With the reservation just italicised, the whole 40 could be collected by the Government, or

by the bankers. The snag is that the Government, having to account for taxes publicly, could not hand the bankers their 30 secretly, even assuming it were able to devise a practicable method of collection. The point we are making here is that an increase in *Government* taxation need not cause an increase in *real* taxation, and would not do so provided the bankers decided to keep it constant. They could, as it were, absorb the shock of a Budget increase from 10 to, say, 20, or, for that matter, to any figure not exceeding the 40. It would be simply a matter of choosing particular methods of collection. Conversely, and on the same reasoning, a decrease in *Government* taxation need not cause a decrease in *real* taxation; nor would it do so unless the bankers agreed to the reduction. We have just shown that they would not agree, for a decrease in *real* taxation would give the community wider scope for optional expenditure and would thus encourage "extravagance." No; if the Government knocked its Budget down from 10 to 5 the bankers would raise their levy from 30 to 35. The *real* taxation would still be 40. Not that the bankers would need to do anything positive to raise it: it would raise itself through the operation of the "law of supply and demand," or rather, the lawlessness of an unregulated price-system, under which every addition to the community's spending power is negated by an equivalent rise in the markets where they spend. The proceeds of this rise ultimately come into the bankers' hands in loan-repayments, and are cancelled. That is how they collect their taxes; and it is how they conceal the fact that they have collected them.

Our analysis is not yet complete. It has proceeded thus far on the arbitrary assumption that the token figure of 40—*real* taxation—was fixed. In actuality it is not; *real* taxation has not got to be any particular proportion of total income; and even if it had it could still fluctuate because total income can do so. The quantity of money in circulation at any time depends entirely on the action of the banks. Their loans and purchases of securities increase the quantity, and their recalling of loans and sales of securities decrease it. They can do either when they like, and to any extent they like. No Government has the power to find out what they are doing, much less to interfere with their policy. They are subject only to the rules of their own autonomy; and such of those rules as Parliament appears to have imposed on them they have imposed on themselves through Parliament, the members of which don't know enough to understand what they are passing, and the leaders of which know just enough to understand what will happen to them if it doesn't pass.

The bankers thus have power to make the lowest schedule of *Government* taxes look excessive. In the ordinary way they would not wish to do so, for reasons already given. But it is quite conceivable that a *Government* might progressively diminish its Budget estimates while at the same time pushing a policy which the bankers regarded as dangerous to their monopolistic position. It might, for example, decide to reduce the debt-service charge by lowering the rate of interest it would pay on its own debt. Supposing that by doing such things it knocked its taxation down from 10 to 5. The bankers would be able to reply by knocking the national income down from 100 to anything. By so doing they could make the incidence of the 5 heavier than that of the original 10; they could make the halved tax twice as oppressive as the whole tax had been. Technically there would be nothing to prevent their reducing the quantity of money in circulation to a point where the *Government's* taxes would absorb the whole of

it. Politically they would have no need to go so far; for a general panic would set in as soon as they began, and the *Government* would probably be removed by a revolt of its own supporters.

* * *

To sum up. There's a Bank tax in every price. It is a secret tax. It is not spent to provide you with anything. It is destroyed to save your soul. This is not empty rhetoric nor is it calculated flippancy. The retrenchment ramp has not the slightest scientific reasoning behind it. It can only be logically defended in the plane of morals, and only then by invoking a code of morals which the majority of the population—the women especially—would deride as soon as they looked at it. The token figure of *real* we have chosen to represent a given measure of *real* taxation symbolises a measure of moral regulation. It is an index of the degree of abstinence from material consumption and cultural expansion which the bankers consider necessary to impose on the community. One has to infer their moral philosophy since they are too shy to propound it. It is akin to the Pauline doctrine that he who won't work shan't eat—but is wantonly distorted into the stupid and inhuman proposition that no matter how fast you can make the things you desire to have you must cease having them directly you stop making them. They conduct the financial system accordingly; and the consequence, expressed in physical terms, is that if you produce four weeks' requirements this week, you must be deprived of three weeks' requirements in order that you shall go to work next week. You are so deprived; and the financial mechanism of deprivation is the concealed bank-tax. The existence of the unsold gluts of useful things in all parts of the world is direct evidence of this fact; but not nearly all the evidence. There is the indirect evidence—the gluts of means of making useful things—idle factories and machines. And there is the more direct evidence—past records of the destruction of plant and equipment—the rendering useless of means of making useful things. The bankers want to keep direct evidence down to the minimum; and they are doing their best to hurry gluts of commodities out of existence or at least out of sight. These are largely natural products, and if it were possible to control their quantity as it is that of manufactured products, the bankers would see that they were not allowed to come into existence at the rate of production. Unfortunately for them God is no respecter of price-levels. So they do their best to divert the processes of production and labour into spheres of activity over which God does not so immediately preside. They set men to make things that will make things that will make things. Under such a policy there must arrive a time when the only avenue for human activity will be the destruction of what has been made. There are ominous signs that that time is at hand.

NOTICE OF CONFERENCE.

On Friday, October 7, Major Douglas will lecture at the City Hall, Newcastle-on-Tyne, at 7.30 p.m. Tickets, 1s. 6d., 1s., and 6d. (the first two being reserved) may be procured from Mr. J. J. Pembrey, 14, Cloth Market, Newcastle.

Preliminary to this meeting local Social-Credit advocates are holding a Conference on October 1 in the Gateshead Co-operative Hall, at 3 p.m. Tickets, price 6d., may be procured from Mr. J. W. Coward, of "Deepdale," Health Avenue, Fawdon, Newcastle-on-Tyne. Mr. John Hargrave is the speaker, and is also available to address meetings anywhere in the district between October 2 and October 4, both dates inclusive. Communications concerning Mr. Hargrave's services should be sent to Mr. Coward.

Irish Affairs.

EXPORT BOUNTIES.

On September 26 a bounty on pig-meat exports came into force in the Irish Free State—10s. per cwt. on bacon; 7s. 6d. on pork, and 5s. on plucks. Mr. Ryan, the Minister for Agriculture, has secured the agreement of bacon-curers to pass the full benefit of the bounty to the farmers. In Cork on September 17 farmers attended an open market place and sold direct to consumers of meat at prices well below those of the shops. These items of news are taken from a report in the *Daily Herald* of September 19. The first is rather obscure. Export bounties are usually given to enable exporters to jump foreign tariffs. In this connection an Irish exporter would be able to price bacon to England at 10s. per cwt. below his usual rate, recovering the balance from his *Government*. But in that case he would have nothing to pass to the farmer. He could only pass something if he could save it out of the 10s.—e.g., if he could export his bacon at a price of, say, 5s. below the usual; whereupon he could let the farmer have the benefit of the other 5s. It depends on the present British tariff-rate—the amount of which we do not recollect at the moment. However, since the curers have promised to pass something on to the farmers we must presume there is something to be passed on. With regard to the second item of news the report does not say whether the farmers' policy of direct sales at low prices to consumers is connected with the above bounty in the sense that they are passing on the benefit in their turn, or whether it stands by itself as merely that of "cutting out the middle-man." Later news will probably clear this question up.

What is clear is that the Free State *Government* are applying the principle of the *Subsidy*. Presumably the subsidy is to be financed immediately out of the emergency funds which Mr. de Valera secured power to dispense from the Dail recently. As a temporary measure this will work satisfactorily, but sooner or later the problem of who is to foot the bill will have to be faced. If the Budget is to be balanced the subsidy will have to come out of the pockets of the general body of taxpayers. They are not going to stand that for long without kicking—even supposing that they could afford to pay.

Kingston Currency.

There has been excitement in Kingston-on-Thames about the circulation of specimens of a suggested municipal currency-note. A large and clear picture of it appeared in the *Daily Express* of September 19 together with a report. Further reports were published in that paper on September 20 and 23 (and perhaps on other dates as well). The author of this move is Councillor J. W. Barker (it is given as Barker in one report), a member of the Town Council, who is a grocer residing in Cambridge Road, Kingston. He circulated the notes among his fellow-councillors. They resemble the old authentic £1 notes bearing the King's head (which also appears on the specimen municipal note) but are printed in green instead of brown. On September 22 Mr. Barker was visited by two detectives from Scotland Yard who asked for a statement of his reason for circulating the notes. Mr. Barker said it was to call attention to the exorbitant rates of interest which were being paid by the Council. Mr. Barker, in an interview (*Daily Express*, September 23), said he expected proceedings would be taken against him for producing a "colourable imitation" of a Treasury note. At the present moment we do not know who Mr. Barker is or where he got the idea from. He may have got to hear of the Coventry scheme. The design of the

note is astutely conceived. St. George is there, killing the dragon, the dragon being designated "International Finance." Other words on the note are: "His Majesty's Royal Borough of Kingston-upon-Thames—Municipal Note Issue—By Order of the Burgesses, Kingston-upon-Thames." Round the border of the oval panel bearing the King's head runs the legend: "Kingston—Thames—The Town Of Kings." We must now await developments—which look likely to open up an interesting situation.

Australian Bank Propaganda.

The National Bank of Australasia quotes (*Circular*, July 11) the following extract from a judgment by the Full Arbitration Court in Sydney on June 17 as an answer to Social Credit. They comment: "It should lead to a searching of mind among many people, and check the activities of certain more or less misguided, but certainly disturbing, agents in our midst."

The central proposition of these doctrines has been authoritatively stated as follows:—

"That the wages, salaries, and dividends distributed over any given period of time do not, and cannot, buy the product of that period, and that the whole of production can only be bought by a draft, and an increasing draft, on the purchasing power distributed in respect of future production, which purchasing power can only come from future loans or overdrafts."

Consequential propositions are that this ever-increasing deficiency in purchasing power can only be remedied by increased money supplied directly or indirectly by the State, and that this supply of more money can be made available by the creation of credits without regard to security therefor. Involved in this theory is the contention that credit money is at present being made out of nothing by the banks, for which submission reliance is placed partly on a well-known but much misapplied dictum of Mr. Reginald McKenna, of the Midland Bank, as to the amount of money in existence varying with the action of the banks in increasing or diminishing deposits.

It is further urged that the banks will not, or cannot make sufficient credit money, inasmuch as it is to their benefit to maintain a scarcity, and thus keep up its price in the form of interest. To meet this bank-created scarcity of credit, it is contended that the State should, like the banks, make credit money out of nothing, but, unlike them, charge no interest and at the same time provide against excessive inflation of currency by an elaborate price-regulation process.

This is not the place for an exhaustive discussion of the Douglas or any other cognate proposals for changes in the monetary system. But mention should be made of the fact that economic thinkers of eminence of diverse political and economic views, but all sympathetic with the claims of wage-earners for advancement, have rejected those proposals as fallacious. Mr. J. M. Keynes, the famous authority on money, Mr. J. A. Hobson, the high-wage advocate, Mr. G. D. H. Cole, a leading British socialist, and Messrs. Foster and Catchings, prominent American economists, more or less discard the Douglas theory and its varied offshoots.

While agreeing with Mr. Irvine that the world-wide fall in the general price level is very largely monetary in its origin, and that the deflation which he condemns might have been avoided by wiser world statesmanship, we have to remember that the evil is not within Australian control. Australia a producer and exporter of primary products, although not responsible in any way for the breakdown of the monetary system, has probably suffered more acutely therefrom than those nations which, if they had been gifted with extraordinary prescience and willingness to act concertedly, would have been able to prevent the collapse.

But Australia by itself could have done nothing to obviate the calamity, or to shield herself from its consequences. The suggestion that the problem is local in incidence and confinement, which runs through all Mr. Irvine's utterances, is difficult to understand. We think there is no ground for the assumption that by local monetary measures we could have found, or can now find, any escape from being involved in the universal crisis. Possibly the internal price level may be controlled or regulated so as to prevent further mischief from internal causes, but the shrinkage of our income from foreign sources would not thereby be affected, and it is this shrinkage which necessitates reduction of production costs in all directions.

Theatre Notes.

By John Shand.

CAESAR AND CLEOPATRA.

When the Old Vic. productions are good they are very good, but when they are bad they are dreadful. The production of Mr. Shaw's "Caesar and Cleopatra," with which the Old Vic. opens the new season instead of the usual Shakespeare play, is too slow, too dull, too poorly staged and acted to be good, and I fear I should not have sat it out had not the friend who was with me been curious to see the end. These are hard words, but they will break no bones, not even a theatre manager's. It was doubtless a good notion, from the point of view of the advertising manager, to begin a season of Shakespeare's plays with a play by Mr. Shaw. But it was not a good notion of the producers to choose the one play by Mr. Shaw that reads better than it acts—which is the case, I think, with "Caesar and Cleopatra." Most of Mr. Shaw's plays are so well-written, so amusing, that even the worst acting cannot prevent an audience from enjoying them—as I have seen proved by several of the Macdona companies which take on tour a repertory of Shaw plays. But this play requires all the glamour of elaborate staging and a first-rate cast to hide its deficiencies. Even then, it hardly entertains. I remember, for instance, Sir Barry Jackson's expensive production some years ago at the Kingsway, with Mr. Cedric Hardwicke as Caesar; but it failed to please, and all that remains in my memory is the brilliant, witty figure of Apollodorus the Sicilian as acted by Mr. George Hayes. And to put it mildly, the actor who takes this small part at the Old Vic. is not Mr. Hayes. The author's Caesar fails, I believe, because he is so self-consciously Shavian, so deliberately a mouthpiece that he fails not only to "come alive," but to be even a tolerably good stage character. And Mr. Malcolm Keen, who plays the part, accentuates rather than disguises its woodenness. He is too slow, too deliberate, he lacks the lightness of touch, the "levity" which his secretary, Britannus, deploras in his hero. Somehow, when Mr. Keen's Caesar says a witty thing it loses some of its wit. He is an excellent elocutionist, and I expect, will be able to sound the word-music of Shakespeare very well; but although I would not be so rude as to say that he does not understand many of the "points" in the speeches of Shaw's Caesar, he seems not to understand them by losing them—which is much the same thing from the point of view of the audience. Miss Peggy Ashcroft's Cleopatra is a nice little wild animal, but she lacks the strength to give the swell of suppressed ferocity to her moments of anger. Quite the best acting, I thought, comes from Mr. Roger Livesey as Rufio, Caesar's officer. And Mr. Geoffrey Wincott delivers the prologue excellently. The others do as well as they can according to their lights, "but those lights," as Mr. Beerbohm once said, "are dim." No doubt one of the reasons for choosing this play was because, like a Shakespeare play, the length of the cast exhibits the full strength of the company. In this instance, it is the full weakness of the company that is exhibited. However, one does not expect too much from all the young people who are learning their job in an excellent training ground. What seems to me less excusable in this production is the general stage management of it. The crowd scenes create no sense of excitement, neither do the numerous "noises off," upon which this play so much depends for the suggestion of the important background of events talked of by and affecting the conduct of the persons on the stage. "Couldn't something be done with a tea-pot?" asked the gentleman in Dickens, anxious about the feeding of the baby. Couldn't something be done with a few tin-cans and supers, I ask, to give some

notion of the battle for the lighthouse and the rioting before the palace at Alexandria? The dramatist, in his stage directions, which I have consulted, asks several times for the terrible sound of the Roman battle trumpet. All we hear at the Old Vic. is something that sounds like a trombone with a sore throat. Which reminds me that the incidental music on this occasion is enough to spoil a far better production. Is it supposed to be music of Egypt or of Rome or of just a vaguely Oriental kind? It seemed to me to be merely an annoyance.

The Films.

Grand Hotel: Palace.

To say that this very ambitious production, which has been an immense box-office success in America and will no doubt be the same here, does not live up to the superlatives of the Metro-Goldwyn-Mayer publicity department, is merely to assert a foregone conclusion. Very few films are anything like as good as they are advertised to be, and the adaptation of Vicki Baum's novel was a work of unusual difficulty. Let me say at once that Edmund Goulding, the director, has in the main done the work very well. Technically, the film is admirable; the restless, impersonal atmosphere of a modern luxury hotel is well reproduced; the photography and the settings—the latter designed by Cedric Gibbons—are excellent; and in addition to the beauty of much of the camera work, the camera itself is here a living creature, as in "M." But the direction and the remarkable cast have failed to make a really outstanding picture.

"Grand Hotel" lacks fire and spontaneity. The film does not come to life as the book does. It is possible that this is, at least, partly because such meticulous care was taken as to defeat its own ends and over-produce the players. Also, the episodic treatment used by the director has not yielded a flowing continuity; the episodes seem largely unrelated to each other, and the film is thus lacking in unity. This is a rather unusual defect, since the American studios have in recent years learned so much of constructive editing from the Russians.

But the two basic faults of the film are that Greta Garbo is, as usual, hopelessly miscast, and that no attempt has been made to show her as other than the young woman she is in reality. The most moving and dramatic incidents in the novel hinged on the fact that Grusenskaya was well over fifty, but that her age did not deter the youthful von Gaigern from falling violently and wholeheartedly in love with her. Here we have merely a quite ordinary episode of youthful love, and the whole psychology of the situation is thus lost. Incidentally, John Barrymore on the wooden side as the lover; it is possible that the very limited range of emotion that Miss Garbo allows herself to display in an unusually emotional rôle made him dry up.

The picture is stolen by Joan Crawford and Wallace Beery, as Flaemmchen and Preysing. Miss Crawford has here again one of those parts that show her to be a distinguished, if uneven, actress. If her Flaemmchen is not Vicki Baum's character—or, at least, not my conception of it—Miss Crawford is justified in saying that she was entitled to create the part. It is an admirable creation—that of the hard-boiled and sophisticated young woman who can give herself to men from whom she recoils because they offer her money and amusement, who can love while denying the existence of love. Mr. Beery's performance is one of remarkable virtuosity; he has entered Preysing's skin that his carriage, his blustering brutality, and his over-bearingness are essentially Germanic.

Virtuosity also describes the Kringelein of Lionel Barrymore, an engaging, pathetic, and very human

figure. Here again, I did not feel that this was the novelist's conception, not so much because Mr. Barrymore embroiders on the part as because he strains rather too much after effect. But the result is very good Barrymore. Those always finished actors, Jean Hersholt and Lewis Stone, do very well with the parts of Senf, the hall porter, and the lonely Dr. Otternschlag. It is regrettable that Mr. Stone's rôle was not made larger; his appearances are too few and too casual.

The Misses Crawford and Garbo do not, of course, ever appear together, which is very fortunate for Miss Garbo. Miss Crawford animates the picture all the time she is on the screen; Miss Garbo merely contributes yet another impersonation of Garbo.

Current Films.

"Arms and the Man," which I reviewed on its Malvern presentation last month, is having its first London presentation at the Regal. "Mädchen in Uniform" is being revived at the Academy and will be succeeded by "En Natt" ("One Night"), the first Swedish talkie to be seen in England, and a film of unusual beauty. "Mata Hari" will be at the Stoll until Sunday.

DAVID OCKHAM.

Nature Notes.

By R. R.

ARTIFICIAL MANURES.

I am certain in my own mind that when our farmers started doing away with lime and dung and went in for these here chemical manures they started a packet of trouble for themselves. I remember twenty-five years ago or more, down at my home near Barnstaple, when a chap first came along asking the farmers to try the stuff. Well, we chaps on a farm there did try it, alongside the old way of manuring. We laid out a field in squares, preparing the ground different old-style ways in some squares and new-style in others. Then we sowed the lot with grass. When it all came up there were differences in the growth of course. Now anybody from the town would have looked for *quantity* first. He'd have said to himself: "Which patch throws up the most grass?" And when he had found out he would have said: "That's the best manure for grass," whatever the manure was. He wouldn't have troubled about the *quality* of the grass. Why should he? For we'd sowed the same seed all over the field; and so that man would have thought to himself: "Same seed same grass." Even if it showed differences of growth in some of the patches he wouldn't know which was better or which was worse: and he'd have said to us chaps that we couldn't tell any more than he could. And he'd have been right, sure enough. We weren't experts, no more than he'd have been. But being countrymen we knew where to find our experts. And d'you know who they were? Not human beings. No; they were a flock of sheep. Yes; we turned them into the field to go where they liked and feed where they liked. Then watch out! Never no hesitation with those animals. Ah, they knew. The consequence was you'd see some patches in that field cropped down to the ground while others were left growing a foot high. And when we came to notice, those others were the artificial-manure patches. Sooner than touch that grass those sheep would wait for the good grass in the other places to grow again. And so—there was our answer, wrote down plain by Nature for all men to see.

Since that time farming has gone further and further against Nature. Lime kilns have closed down, and new-fangled powders ploughed into the earth or spread over it. Horses have been driven out by tractors. Instead of good natural horse manure falling upon the fields, there is now petrol or paraffin

drippings. No farmer in my days would have put up with such things; but they've had to give way because they've been forced to save labour. They've got to produce cheaper, as the saying is. I'll hold out against any man that everything they do to make things cheaper makes them worse. Take this ploughing, or sowing or dressing with tractors. This is against Nature for a particular reason I've got. 'Tis this: Nature meant the land to have animals walking on it at tilling-time. Nature made horses the right weight to press upon the earth; and the weight of the horse is distributed in the proper manner on his four hoofs; and the action of the horse in drawing the plough or harrow—the thud, thud of his feet as he goes over the fields is all a part of the tilling: it sends little quivers down under, and encourages the earth to give out the harvest. You can laugh so much as you like; but I'm sure in my bones that animals coax the fields to do their work just so much as when I pat a horse to get him to do his.

Then take another thing. A farmer will come along and sling a lot of chemical dressing over a field, hoping the rain will come and wash it in. Well; the rain doesn't come. What's the consequence? The animals grazing in that field get some of this powder into their insides. It doesn't poison them; no. But it's against Nature, and it's bound to make their condition worse. And when an animal is out of condition, nobody's to say what disease mayn't strike him. You can add to this what I said about our experiment with the sheep. To-day, grazing animals have got to eat the sort of grass that those sheep wouldn't touch. They've no choice; and so they cannot show us humans what Nature means them to have and what we ought to give them. All these cursed "up-to-date" notions are like an eclipse of the sun: they hide the lessons which the animals were made for to teach us.

There's a lot of talk about foot-and-mouth disease. Nobody seems to know what causes it or where it comes from. There's a sort of notion that an animal opens his mouth and a microbe flies in. My notion is that it's all to do with the condition of the animal. I can't prove my words, but I will always hold that the clue has most to do with the feeding. A gentleman told me the other day that there was such a thing as a human growing microbes inside of himself, and that it wasn't proved that microbes always got in from the outside. He said that there are many scientific gentlemen who hold that view: a "school of thought," he called them. Well; I've never had that sort of schooling, but I feel they are right. It's a puzzle anyway to know where the first microbe ever came from, whatever sort it is. I've thought about it a lot, especially where there's been mention of lockjaw. In some farms this tetanus germ, as they call it, is everywhere, and there is danger to man and beast whenever they get a cut or other wound that draws blood. In other places you'll have horses passing years and years at the plough, constantly bruising or grazing each other's shins (which happens when they turn at the end of a furrow) and yet never no sign of this trouble. I am sure that these puzzles will be found out one day to have to do at the beginning with the health of the land, as you might say.

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.

More Psycho-analysis.*

The more one reads of the technique of psycho-analysis the more one is struck by its air of hocus-pocus. It has already been called a game of confidences for rich orphans, but it is more. One is tempted to stigmatise it as trifling with the affections of rich orphans, only "trifling" is hardly the word. The technique proceeds on the lines of a lovers' quarrel. First the patient is allowed (or seduced?) into falling in love with the physician. This is called establishing the "rapport."

"The second main task," I quote from Dr. von Hattengberg, "is breaking off the personal attachment to the physician. . . . Practically the way is paved for this by arranging the analytical interviews at greater intervals—the break should never be carried to such an extreme that it is impossible to keep the patient under observation" (Author's italics).

This, of course, would be the most abominable medical coquetry, were it not for the undoubted disinterestedness of the physician, whether it is justifiable, even so, depends entirely upon its therapeutic results.

The gain to theoretical psychology has been so striking, especially if one counts the critical reactions evoked by psycho-analysis, that it may seem carping to point out that the types of cases which respond most readily to the technique (hysterics, psychasthenics, and sufferers from anxiety neurosis), are also those which respond equally well to less scientific methods (e.g., hypnotism, faith-healing, miraculous statures, etc.).

No doubt the psycho-analysts would claim that all such cures are really triumphs of their method, though applied in a clumsy, unscientific, and, above all, uncontrolled manner. But it must be difficult even for the psycho-analyst to control these tempestuous love-affairs. Remember it is rare, except with the most conscientious exponents, to get an account of the unsuccessful cases. Yet a hint of the kind of thing that may happen is given by Dr. von Hattengberg, who tells us that "Even the methodical completion of an instructional analysis could evidently not prevent many psychotherapists being entangled in a crisis whose violence was attested in shocking fashion by the suicides among them."

I should be the last to deny the real importance of Freud's discovery, but this book strengthens a growing impression that psycho-analysis as a technique is as yet more dangerous than useful.

N. M.

Reviews.

The Robinsons. By Thomas E. Lawson, L.R.C.P., L.R.C.S., Ed. C. W. Daniel Co. 1s.

By skilful manipulation of a family of Adlerian robots, Dr. Lawson demonstrates very clearly the Adlerian views of the effect on character of the family environment. M.

Britain's Trade and Agriculture. By Montague Fordham, M.A. (Geo. Allen and Unwin, 7s. 6d.).

Mr. Fordham has given us a lot of sound common sense, but like most of the new "Plans" now pouring from the Press, it is only a reshuffle of the old economics. He has told us nothing really fresh. It is indeed very essential that Britain should become as self-supporting as her agricultural production will permit, because agriculture is still our first line of defence; the Great War did at least drive that lesson home into our "liberal" breasts with a vengeance. In pre-war days, Prince Kropotkin, in his "Fields, Factories, and Workshops," showed how we could feed 90,000,000 with the knowledge then available, but agricultural science has made great strides since then. Mr. Fordham is good enough to inform us that he suffers from a highly developed Non-conformist conscience—which explains his work-complex. He has forgotten that the industrial revolution applies equally to agriculture as to industry. Having compelled everybody to work like niggers on the cabbage patch, he has propounded some ideas about the stabilisation of money coupled with guaranteed standardised prices for the main articles of food. Imports would be controlled. It is not surprising when he informs us that his proposals have the support of the Prime Minister, Mr. Ramsay MacDonald. Mr. Fordham is proud to state that his mentors have been Plato, Einstein, and Bergson. What a pity he could not

*"The Technique of Psycho-analysis." By Dr. Hans von Hattengberg. Translated by Arnold Eiloart, B.Sc., Ph.D. (C. W. Daniel Co. 5s.)

add the name of Major C. H. Douglas. Before writing again Mr. Fordham would be well advised to sit down and ponder over the fact that a farmer who grows a ton of potatoes does not grow the purchasing power equivalent to the potatoes. Let this be his first premise for his next book. R. H.

The Scientific World View. By William Kay Wallace. (Simpkin Marshall, 15s. net.)

In his Introduction the author writes, "The foundation of a civilisation is economic. It is only after social forms have rooted themselves firmly in the economic life of a people that political and religious life is possible."

"When a new economy takes shape the political as well as the religious systems previously existing inevitably decay, as they are inadequate to meet the demands of the new economic purpose."

"Thus the real cause of the rapid decline of religion in our own times is to be sought in the fact that we have entered upon a new economic era. It is the new economy of industrial civilisation that has transformed the social life of our times. In due course new political forms will no doubt be devised, and it is not impossible that ultimately a new, all-wise master, a new Moses, Buddha, or even a new Jesus may arise. But the era of a new religion is remote. In the meantime a period of irreligion will intervene when the faith in religion will be replaced by a faith in science."

That is the theme of this book, and the author develops it and elaborates it against a clearly drawn historical background. Science and the scientific attitude of mind is to take the place of religion. The time has come when we can do without God altogether and yet be highly moral and even "more gooder" than we were in the past. One cannot do better than quote the last few sentences of the last chapter, "The New Morality":—

"With the advent of a scientific world view the noviciate of mind has been served. Life in its richness and sensuous beauty, its passionate striving, its unconquerable eagerness, its immortality, is part of the world of experience where science dwells. The progress of morality is marked by the rearrangement of the facts of this experience in a more orderly sequence. Science offers a better way to do so than ever existed in the past. . . . Mind in coming of age is making possible a new morality, man-made for men. Here personality emerges as mind organised in such fashion as to discover the one best way, the moral way of life."

The author uses the phrase, "The One Best Way" many times, and shows that science is always trying to discover and is discovering the One Best Way of doing everything. In Chapter IV. "The Scientific Economy" we read that "Out of the principle of exclusive egoism which was the natural corollary of the utilitarian doctrines that now spread so widely among the middle classes, came the idea that thrift and saving are virtues of the highest order. It taught the magic of money, that 'money can beget money,' and that it is the duty of every self-respecting citizen to get as much of it as possible. Such are some of the more salient features of the first effects of the political economy that replaced mercantilism." The most significant factors of the new scientific economy are summarised as follows: (1) The elimination of competition; (2) the adoption of production operation in industry; (3) the standardisation of production; (4) the diffusion of ownership; (5) the acknowledgment of the important rôle of the welfare of the workers in the processes of production; (6) the international character of industrialism. But the One Best Way of distributing the goods and services produced has escaped Mr. Wallace. He becomes Wellsian. That is the difficulty with the "World View." Once upon a time it was a "heavenly view," a view of milk-and-honey and angels pooping on trumpets at the Golden Gates as the souls of the saved came up the moving stairway. It was a comfort. It took men's minds off the toil and troubles of this world, and gave them a hopeful vision of the world to come. As Mr. Wallace shows we can no longer accept that vision. But now—just when we were going to tot up how much we have in pocket and last over the week—we are once more put under and sent to sleep with a strong puff of "World View" gas. Ah, all so scientific—the richness and sensuous beauty (he's going off now)—the passionate One Best Way to progress mortality where science dwells . . . dwells . . . progress . . . unquarable (he'll be gone in a moment)—the World View ality emerges . . . richness . . . beauty . . . the international character of passionate striving . . . the international character of passionate striving . . . where science dwells (all right—he's gone!)— S. R.

Social Credit in New South Wales.

During the past month the State President, Mr. Mac-Readie, was invited and visited Griffiths, on the Yanco Irrigation Area, which is about 300 miles from Sydney. He addressed a number of meetings throughout the area, and a branch has been formed at Griffiths. Two car loads of speakers, headed by the State Secretary, Mr. Taylor, and Mr. Bull, visited Newcastle at the end of last month. On the way up they addressed meetings at Terrigal, where a branch was formed, and at Gosford, where a branch already exists. At Newcastle they addressed a large meeting in the W.E.A., and a branch was formed. On the Sunday they met a large number of the previous night's meeting and spent two hours in personal explanations of the proposals. In the afternoon the party were the guests of the 2nd Battalion (A.F.).

In the Metropolitan area we now have sixty-seven branches, an increase of twenty-one in the last month, and our country branches now number twelve, an increase of five in the month, making a total increase of twenty-six branches. Besides this, we have now five speakers' classes throughout the Metropolitan area. There are another fifteen branches in the course of formation. We anticipate very shortly to have a hundred branches in the State. All branches are reporting increased attendances. Our lecturers are now addressing from eighty to ninety meetings per week, all these lecturers being supplied from headquarters. Our staff to cope with the work are working to 10 p.m. each night.

The circulation of the *New Era* is now in the vicinity of 14,000. We have now commenced on the third edition of Lt.-Col Powell's *Deadlock in Finance*, and are experiencing a greater demand than ever for this work. We are hoping that we will be publishing the fourth edition of this work at a very early date.

Last week a letter appeared in the financial page of the *Sydney Morning Herald* (a copy of which was forwarded to you at the time) warning people from joining the Douglas Association. At the end of the week there appeared a half-hearted withdrawal. On the 9th inst., on the leader page of this journal, there was an article entitled "The Douglas Plan, Its Fallacy and Error," by the Financial Editor. This is enclosed. The conspiracy of silence as far as this journal is concerned apparently is broken.

On Friday, 5th inst., three speakers addressed the executive of the Federal Labour Party. A report of this appeared in the *World* on Saturday, enclosed. We objected to the *World* associating us with the Federal Labour Party, and in later editions headings were altered. We pointed out that we addressed all political parties, and were associated with none.

We are forwarding, later, a circular of The National Bank of Australasia, Ltd., which sets out to show the fallacy of the Douglas Social Credit Proposals.

The First Conference of the Association was held on Saturday, 6th inst., at the Adyar Theatre. Mr. Pollock, in the absence of the State President, was in the chair. There was an attendance of 180 delegates from sixty-six branches. This conference was adjourned to the 20th, and the annual meeting of the Association will be held on August 27 at the Conservatorium of Music. The conference was most successful and a large amount of organising work was accomplished.

On the 2nd inst. we sent a cable to H.R.H. the Prince of Wales in appreciation of his speech at the International Congress of Commercial Education. The speech as reported was: "The world-wide trade depression and economic disturbance has been largely caused by maladministration of distribution. The potential output is far greater than ever before. If all employable labour were employed for a reasonable number of hours per week the world would have at its disposal a volume of commodities and services that would enable the entire population to live on a higher level of comfort and well-being than has been contemplated in the rosiest dreams of the social reformer. Our urgent task is to bring consumption and production into a proper relationship, not a simple but quite impossible task."

On August 3 we received the following cablegram: "Prince of Wales desires me to thank you for your telegram of congratulations."—Private Secretary. R. P.

Sydney, August 10, 1932.

TO READERS IN LIVERPOOL.

Will any reader willing to lead a debate on the banking system from the Social-Credit point of view which is arranged to take place on Wednesday, November 30, send us his name and address for us to communicate with the promoter of the debate? It will be held under the auspices of a recreation club connected with a large industrial firm at Runcorn.

The Social Credit Library.

We announce the publication of a new pamphlet entitled *The Douglas Theory and Its Communal Implications*, by Fred. Tait (Stephen H. Wilson, 170, Bensham Road, Gateshead-on-Tyne; 3d.). Mr. Tait, whose work for Social Credit is well known and appreciated in the North, has done the exposition competently for his purpose. As his choice of title indicates, his main object is to clear up misunderstandings about the social implications of Douglas Finance. Since his activities are carried on in a hard-hit area, there are plenty of Communists competing for the attention of the poor, and they are prone to interpret Social Credit as a modification of Capitalist technique designed to hoodwink the "worker." Mr. Tait endeavours to combat this idea. In so doing he naturally has to throw chief emphasis on those possible "communal" developments which appeal to the unpaid and underpaid classes of society. He does this quite temperately, but nevertheless calls attention to the fact that his ideas are his own, and must not be held to commit Major Douglas, who has "not been consulted" about them. We have not studied them closely, but our impression is that there will be little or nothing in them which Social Credit supporters will hesitate to endorse. There was room for such a pamphlet and Mr. Tait is to be congratulated on writing it.

MAJOR DOUGLAS'S FORTHCOMING MEETINGS.

Kilmarnock Rotary Club, on September 29th.
Newcastle " " " " 30th.
" " City Hall, " " " " October 7th.

WHY PAY TAXES?

This is the title of Major Douglas's coming address at Newcastle-on-Tyne.

WEST RIDING SOCIAL-CREDIT ASSOCIATION.

First general meeting for election of officers and committee, Saturday, October 1, at 3 p.m., in the Central Co-operative Library, Cheapside, Cleckheaton. Copy of Agenda, proposed constitution, and rules from J. J. Taylor, Claremont House, Cleckheaton.

"MYSELF WHEN YOUNG . . ."

Cheerful news from the Professional Economists: "Monetary theory is still so far from a state of perfection that even some of the most fundamental problems in this field are yet unsolved, that some of the accepted doctrines are of very doubtful validity . . . and so long as no agreement is reached on the essential theoretical questions, we are also not yet in a position drastically to reconstruct our monetary system." *Prices and Production*, by F. A. Hayek, Vienna University Lecturer in Economics, with foreword by Professor Lionel Robbins, London, 1931, pp. 109-110. H. C.

ECONOMIC WISDOM FROM THE EAST.

One of the sages of fourteenth-century Japan, while crossing a river at night, lost a few pieces of money in the stream. He paid a number of men with torches and folly in hand to search for the lost money. When reproached with extravagance and folly in spending several times the value of the lost money he paid endeavour to regain it, he replied that the money he paid the men was merely put in circulation, while that fallen in the river was likely to be lost to society for ever. H. C.

THE PRINCE OF WALES ON PRODUCTIVE CAPACITY.

"The potential output of the existing means of production in the world is far greater than ever before. If all the employable labour were employed for a reasonable number of hours per week the world would have at its disposal a volume of commodities and services that would enable the entire population to live on a higher level of comfort and well-being than has ever been contemplated in the rosiest dreams of the social reformer. The urgent task for the world is to bring about the adjustments necessary to bring consumption and production into proper relationship—not a simple, not an easy, but quite a possible task. . . ."

(From a speech delivered by the Prince of Wales at the International Congress on Commercial Education on July 29 last.)

Central authority proposed to control municipal borrowing.
Very serious unemployed and Means Test riots at Birkenhead. Talks of calling for military aid to police.

September 20

Bus employers' new offer to men—no wage cuts.
Birkenhead relief allowances to be increased.
Gandhi refuses to leave prison.
Germany asked by Great Britain to reconsider decision on attendance at Disarmament Conference.
Big Labour gains in Swedish General Election.
More police protests at forthcoming (second) wage cuts.
Stock Exchange beaten by banks in fight over commissions.

September 21.

Unemployed riots in West Ham on reduction of relief rates.

September 22.

Means Test riots spread to Liverpool.
Milk price war (farmers v. distributors) starts.
Disarmament Conference re-opens. Germany absent—Hindenburg reviews German army manoeuvres.

September 23.

No bus strike—men accept employers' terms.
Whitehall economises.
U.S. announces its financial policy prior to World Economic Conference—gold standard adhered to.
Mosley forms British United Fascist movement.

ACADEMY CINEMA, OXFORD STREET (Opposite Warings) Gerrard 2981.

Sunday, October 2nd.
LEONTINE SAGAN'S PSYCHOLOGICAL STUDY OF ADOLESCENCE
"MAEDCHEN IN UNIFORM"
Also the Himalayan expedition film, "EXCELSIOR"

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