

THE NEW AGE

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NOTES OF THE WEEK.

Last week we drew attention to the importance of examining the antecedent probabilities concerning the alleged rightness of the bankers' objective and the alleged soundness of their methods. We confined our remarks with the frame of reference of the "Christian conscience"—not in the conventional political sense of the term as connoted by the once familiar expression: "The Nonconformist Conscience," but in the deep personal sense in which all true Christian believers feel in common a definite, though more or less vague, disquiet in their souls concerning the economic afflictions and anxieties which they are witnessing all round them, and under which, indeed, they themselves are fellow sufferers. We would define such believers as those who divine diabolism in inhumanity, and who sense the spiritual contradiction between "prophesying in the name of the Lord" and tolerating the spectacle of "the least of these my brethren" sick, anhungered, naked and in prison—believers who are questioning themselves whether the will of the Father, as done in Heaven, is not being undone on earth. When thus defined it will be realised that they constitute a Church within "The Church" in a Christian sense, and a Church beyond "The Church" in a universal religious sense. For there is no religious creed among whose believers are not to be found people of these elect qualities; and all of them, of whatever colour, transcend in potentialities for good the forces which cause their separation into formalised systems and classifications. They are numerically weak, and in the nature of things they are not subjects for organisation as the world knoweth wisdom. Nor are they wise as the world knoweth wisdom. Yet they possess enormous potential energy whose actualisation and direction, though not fully assessable and predictable by reason in terms of character and time, are nevertheless already manifest to the eye of faith. That faith may rest on the belief in a Higher Intelligence purposely operating for good, or it may simply rest on belief in the existence of occult forces outside man's philosophy—forces destined to flow

along new and peculiar channels which he is, though all unconsciously, preparing for them. In either case it is a matter of faith in the happening of the unexpected. We stand, in Carlyle's phrase, at the conflux of two eternities—at the point of an epochal transfiguration where the most insignificant factors of the old order become majestic agencies ushering in the new. "For God hath chosen the foolish things of the world to confound the wise; and God hath chosen the weak things of the world to confound the things which are mighty. And base things found the things which are despised, hath God chosen, yea, and things which are not, to bring to nought things that are." (1 Cor. 1, 27.)

We shall here and hereafter use the term "the Church" to mean all humanists with religious convictions such as have been described, irrespective of their various doctrines. The Church, thus defined, would not fall into the error of accepting a doctrine merely because it was expressed in spiritual terms, but would be watchful, as enjoined by the Apostle John (First Epistle, Ch. 4, v. 1) to "try the spirits whether they are of God: because many false prophets are come out into the world." In the present context the judgment of the Church would first turn on whether the doctrine involved inhumanities. It would next turn on whether those inhumanities were inevitable in the light of evidence accessible by the human senses. Now the "spirit" of the financial system speaks with no uncertain voice on both issues. Not only does it acknowledge that the system involves inhumanities, but insists that they are unavoidable. Moreover, its voice carries undertones of suggestion that even were the inhumanities avoidable it would be morally undesirable to remove them. In brief, it is a false spirit—false as concerning the very fundamentals of terrestrial existence. The Church would not be deceived by the spiritual idiom of the doctrine into assuming its divine origin. She would at once, and at least, suspect diabolic origin.

Upon that the Church would be faced with the momentous task of deciding whether the character

of the people ought to be shaped to fulfil the objects of the banker, or whether the character of the banker ought to be shaped to fulfil the objects of the people. "There must be a change of heart," says the false spirit. Yes, but whose heart?—that of the thirteen hundred millions of souls now struggling for survival or that of the hundred or so financiers who preside over the struggle? Who is to prescribe the service of the Temple?—the priests or the money-changers? It is a matter for the deepest heart-searching. For while it is the historic mission of the Church to inculcate and foster spiritual qualities in her children, it is another matter entirely for a group of secular moralists to enlist those qualities in the maintenance of a system of economic repression. Patience is a good thing. So is tolerance. So is dutifulness. But patience with what?—tolerance of what?—dutifulness to what? It is the "what," in every case, which makes these human qualities virtues or vices. Last Saturday, when the miners heard the explosion in the pit, beneath their feet, not one man but volunteered to go down to the rescue at the risk of his life without wage or fee. And the same with the doctor who ran to the scene in his bedroom slippers. Are these the men whose hearts must be changed? It is rather the hearts of those men who, under their inhuman policy of economy, not only restrict the provision of safeguards, but haggle about compensation with the dependants of those who perish for the lack of them.

We are not indicting the bankers personally as false men because of the falsity of their doctrine, any more than we should assail the moral characters of disease-carriers. At the same time, that does not excuse them from responsibilities and penalties, whether they are aware or not of the consequences of what they do. On this point we can appropriately discuss the nature of their responsibility. To a very large extent their psychology corresponds more closely to that of the man possessed of evil spirits spoken of in the Gospels than to anything else. Moral rebukes won't cure them; nor will logical arguments; nor again will psycho-analytic treatment according to any known system. What they need is a treatment comparable to exorcism. They are agencies of occult powers of evil—"spiritual wickedness in high places," as St. Paul wrote in his Epistle to the Ephesians. We do not mean sentient powers of evil—we mean influences set free by certain modes of contemplation and study. The devil has been called the Arch-Deception; which suggests the reflection that probably and particularly *self-deception*, for in actual experience of life it will be found that the prime authors of the most widely-spread deceptions are self-deceived.

It is, of course, a well-known fact that there are objects of contemplation and study, in themselves harmless enough, but dangerous for certain types of people to take up—as examples: spiritualism, psycho-analysis, and even religions in respect of their esoteric mysteries. The evil consequences to such people happen as the result of their bringing their minds to bear on subjects with which they are not fitted to cope. The effect can be comprehensively summarised as the proneness of the victim to distort exterior facts and their relationships. But there is another, and almost unknown object of contemplation which is dangerous, not only to special types of people, but to practically all types, and that is the properties—if you like, the mysteries, of abstract numbers. Happily most people have never heard of it, and would not be interested if they had. The repository of this numerological

wisdom is what is known as the Kabbala.* It has to do partly with the occult signification of numbers. Readers of these pages will understand what we mean when we now provisionally class the bankers as Kabbalists.

But we must instantly qualify this: they are Kabbalist apprentices not Kabbalist masters. Information as to the Kabbala is, in the nature of the case meagre and indefinite, but such as is available is to the effect that, in the vernacular phrase, it "blows the gaff on Numbers." This is the particular aspect from which we want to consider it for our present purpose, so we can neglect others. Assuming this description to be true, the Kabbalist master (imagining there to be such) would know everything about the differentiation between abstract numbers and concrete things—or, as we often say in our own language, the differentiation between financial numbers and physical wealth. But not so the Kabbalist apprentices. They are something like the rule-of-thumb engineer who, when tuning up a turbine, grows nervous as he hears the hum begin to change to a rattle, and fears to increase the supply of steam lest the machine shake itself to pieces, until the designer, with deeper knowledge, persuades him to continue, with the result that the rattle subsides again to the hum as the turbine speeds on up to its scheduled rate of revolutions. The bankers, and, in a less degree, all those functionaries in the economic system whose duties are confined to the manipulation of Numbers, have no knowledge of the things they represent, and therefore fear that if they alter their system of numbers in the least degree from what has always been customary, the economic machine will shake itself to pieces. Probably every banker, and apologist for the banker, whose name is known to the public is of this rule-of-thumb "apprentice" grade. And in fact it is almost conceivable that the secret of the Kabbala in its application to the accountancy of cost had become lost (if ever known) by the financiers, and was only known to them when Major Douglas discovered (or re-discovered) it.

It has been flippantly said of Freemasons that their great secret consists in the fact that there ain't none! And it may be similarly suggested that the secret of the Kabbala is that no-one has ever mastered it. Figures, like fire, are good servants but bad masters. If you start conjuring about with abstract numbers they will start conjuring about with you. There is indeed a theory that the reason why the Jews have kept their heads more steadily than the Gentiles during the period of the evolution of our monetary economy is because they have had the sagacity to distinguish numbers from things, and that the reason for the development of this faculty in them has been that throughout the generations of the Kabbala, prohibited the rank-and-file of Jewry from reading it. Whether this is true or not is of no consequence, but if true, the prohibition was wise, as anyone will agree in view of the gibberish now being talked by the professional numerosophists of the banking system about the causes of and remedies for the paralysis of the world's system of production and consumption. They are as men possessed with devils. The old saying that the Devil can quote Scripture for his purpose is equivalent to saying that he can quote numbers for his purpose; and the two sayings are related to the familiar dictum, "Unfortunates are related to the statistics." "Statistics can be made to prove anything." Unfortunately the moral is forgotten when the statistics of bankers are in question. The ledgers of the bank-

* Hebrew, *gab bala* equals reception, e.g., as the "receiving" of a mystery.

ing system are as closely guarded against prying eyes as the most precious Kabbalistic scroll. All that the people may know is what the Rabbis of Finance choose to tell them. And if one accepts the hypothesis that any of them are masters of the real secret in Monetary Kabbalism, they must be designated Black Kabbalists—those who, unlike the Rabbi, encourage the common people to dabble in the study of number- and consciously exercise this deception need not be discussed. What we know is that the speeches and writings of number-ridden publicists—the Dons and Undergraduates of the Kabbalist University—conceal true issues and darken wise counsels just as effectually as if some master mind were directing their activities. Let us give them the benefit of the doubt and think of them as carriers of Black Kabbalism.

One of these is Sir Josiah Stamp—perhaps the most active of them at the moment judging by his output of propaganda. He has spent his life among figures; and an appropriate nickname for him would be "Slide-rule Stamp"—for that Kabbalist instrument is his oracle. What it tells him finishes all arguments. One of his recent articles, appearing in the October issue of the *Universities Reviews*, contains the conclusion that no new policy for solving the economic problem is feasible unless it proves *acceptable to the majority of the people*. Acceptable in what sense?—in terms of its objective?—or in terms of the conditions on which people are invited to co-operate to reach it? If so, there is no difficulty—as those who are acquainted with Major Douglas's exemplary scheme for Scotland will agree. But Sir Josiah does not mean either. What he does mean can be inferred from the strategy of Professor Copland in Australia where Major Douglas's policy is at the centre of public controversy. Professor Copland virtually invited the Australian public indiscriminately to take up the study of the Kabbala. The test they were to apply was not to bring common sense and ingenuity to the problem of dealing with a physical dislocation, but to bring uninstructed and unprepared minds to the exploration of the mysteries of numbers.

Critics will be ready with the instant retort: "What about Douglas? Isn't his 'A + B' Theorem hundred-per-cent. Kabbalism? Isn't it the foundation of his thesis? Isn't he asking for a decision on that basis?" Quite so. The "A + B" Theorem is Kabbalism—White Kabbalism: and Douglas is a White Kabbalist. He has blown the gaff on black numbers. But it is a vital misapprehension to suppose that he expected the ordinary public to be the tribunal to examine his proof. Such an idea is antecedently nonsensical. He wants answers from the public on the two questions: (a) Do you desire to see your productive and distributive system in full operation? and: (b) Are you willing to co-operate thus and thus on such and such terms? Now the effect of dragging in the "A + B" controversy is to side-track these questions, or else so to confuse the public that they will think it not worth while to answer them. The critic will come back at us with the retort: "But don't you, too, drag it in?" We do: but not to win a majority assent. Our object is to make contacts with such individuals among the public who are competent to understand the problem chiefly from the technical end. Such individuals are those who are familiar with figures, but are masters of them, not servants—those who let experiments dictate their figures, not the figures dictate their experiments. Douglas, in this connection, demands trial, not by the masses, but by his peers—by men accustomed to the handling and measuring of physical materials and forces.

"Velocity of Circulation."

A correspondent in Belfast sends us the following story which he says was going round at the time of the trouble in that city.

A bread-server was held up in one of the back streets and relieved of his cash. As he was driving his cart away, counting himself lucky to escape with a whole skin and his stock intact, one of the hold-up gang shouted: "Come back at tea time and you'll get your money back." Curiosity more than any hope of seeing his money brought him back to the same street at the appointed time, and, sure enough, the gang was there and he was reimbursed in full. As his reimbursers seemed quite friendly he asked for an explanation of the "cod" of taking money from a man at two o'clock and giving it back at six. This is the explanation he got: "Ye see," said one of them, "not a soul in the street has paid any rent this lot o' weeks, and we knowed the rent man would be roun' this evenin'. So we jist tuk your money and giv' it till the weemin; then they all paid the rent-man and got their books marked up; then we tuk it off him whin he come till the en' of the street; and now you've got it back again; so what the hell need you care?"

Whenever an apologist for the banking system alludes to what he calls the "velocity of circulation" in regard to money, suggesting that its buying power can be increased by spending it faster, he is innocently assuming that the financial system normally permits of such interceptions of money as is illustrated in the story.

Assume the sum intercepted by the hold-up gang was £10. On the day in question the same £10 bought bread, and again paid rent. And you only have to assume this transaction to be repeated, say, four times more in the course of a day to make this £10 purchase £50 of goods or services.

But the catch is easy to see, because the story gives us an all-round view of the transaction. The only thing bought was the bread, because the bread-server eventually got his money. The landlord of the houses did not.

A parallel to this hold-up occurs in the financing of industry generally; and it is because it is in operation that the capitalist system still stumbles along. The parallel is that which is indicated in Major Douglas's commentary on the A plus B Theorem, viz.: that the shortage of consumer income (A) as against the amount of production costs (A plus B) is made good in whole or in part by new bank loans. In other words, that against costs represented by A plus B there come into the market bank loans and personal income to an amount which, though still insufficient to clear all the costs, at least clears sufficient of them to save the industrial mechanism collapsing in a state of manifest bankruptcy.

Relating this to the story, the bankers take the place of the hold-up gang. Whereas the gang collected the bread-money and then spent it in payment of rent, the bankers' method is more subtle, but the same in principle. For when a banker lends, he creates new credit which, entering circulation, raises retail prices against consumers. Hence, although his loan comes into the consumption market and supplements existing consumer incomes as above described, the consumers are really being *deprived of purchasing power* at the same time as they are being *provided with extra tokens of purchasing power*, i.e., with the extra money reflected by the supplementary bank credits. ("The more money you get the less it will buy."—Mr. F. R. Hirst.)

The only difference between this general transaction and the particular one described in the story is that whereas in the story the whole loss falls on the landlord, in industry to-day the loss is spread over the whole body of producers and consumers alike; its incidence on various sections of the community depending on the various facilities they enjoy for snatching it away from each other under the rules of the competitive system.

The robbery is more elaborate, and more effectively camouflaged. The steps in its accomplishment are in the following sequence. The bank creates new credit and lends it to a capitalist. He pays it to the community for work done. He debits it against the community for goods to be delivered. The goods are not ready when the community spend it. The goods that are ready rise in price, and withdraw this money from the community. The credit borrowed by this capitalist has now come into the hands of other capitalists. The community have not received any greater quantity of goods than they would have if the new credit had not been lent. But that credit stands as a new cost which the capitalist expects to recover when his goods are ready. At this point the only people from whom he can recover it are the other capitalists. The latter might spend a fraction of it on their own consumption of his goods, but all the rest they would invest (assuming they are free to use it). They might invest in this capitalist's business. Suppose they do. The community, in respect of this transaction, have no money to buy the new goods. If they get them it can only be at the price they will fetch—i.e., nothing. Can the capitalist sell for nothing? Yes. Provided he can get out of his indebtedness to the investing capitalists. And that is precisely how modern industry meets the difficulty. The community buys goods with (a) its earned incomes, plus (b) a subsidy provided out of the proceeds of confiscated investments.

It is the little Irish hold-up repeated on a world-scale. The investing capitalists in the first place got their money by selling goods, just like the bread-server. But then they parted with it in return for property-rights in new goods which could not be sold. As an eventual consequence they virtually gave it back to the community who had paid it to them, just as the hold-up gang gave the bread-server's takings to the women to pay their rent with. And, of course, in this hold-up business the master gangsters are the bankers—the gang being the Stock Exchange. By their rules governing loan-repayments to themselves they force new borrowers to seek investors in their properties; and by their advertising they tempt people to become investors. The only difference in their case is that they do not resort to open intimidation. There is no bashing—it is all done by blarney.

("We tuk it off 'em whin they come till the en' of Throgmorton Street.")

Correction.

The date of the issue of THE NEW AGE from which an extract was re-printed last week (p. 16) referring to Lord Melchett was May 28, 1931.

KIBBO KIFT ARMISTICE CEREMONY.

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As in former years, a detachment of Kibbo Kift (the Green Shirt Movement for Social Credit) laid a wreath on the Cenotaph as an observance of Armistice Day.

The party numbering thirty-six officers and men paraded at headquarters, Old Jewry, at 3.45 p.m. on Saturday, November 12, and after a Press photo had been taken, marched via Cheapside, Queen Victoria Street, Embankment and Horse Guards Avenue to Whitehall. At the Cenotaph, the party was halted and brought into line, whereupon the police stopped all traffic during the brief ceremony. The officers stepped forward and the bearers handed the wreath to the Deputy Head Man who placed it in position while the Colour was dipped. A Press photo was taken. The detachment thereupon resumed its march towards Westminster, and traffic was released. The return route was via Bridge Street and the Embankment to headquarters.

The wreath, which was in the form of the Kin Colour in black and white on green, bore the inscription:

"Armistice Day, November 11, 1932."
From the Green Shirt Movement.
"In Memory of Those who Died in Vain."

Copland and Social Credit.

By D. W. Burbidge, LL.B.

[The opening reply to Professor Copland's "Facts and Fallacies of Douglas Credit."]

V.

V.—THE A + B THEOREM (*continued*).

Repayment of Bank Loans.

Repayment of Bank Loans.

In criticising Major Douglas' viewpoint concerning the B payments he said:—"But in some way Major Douglas arrives at the conclusion that these payments once made are held fast in the hands of the recipients." This is a surprising statement coming from one who claims to have studied Major Douglas' book, "The Monopoly of Credit." Had he studied this book with reasonable care, he would have observed that, after stating the A + B Theorem, Major Douglas says in explanation; "The above proposition is perhaps most simply grasped by recognising that the B payments *may be considered in the light of the repayment of a bank loan by all the concerns to whom they are made.* . . ." How, in the face of this, is it possible for anyone to conclude that Major Douglas holds the view "that these payments once made are held fast *in the hands of the recipients*" ? (our italics). It is obviously a ridiculous assertion to make in the light of the facts. Far from believing that the money is "held fast," Major Douglas states definitely *that it is used to repay bank loans*, which implies its cancellation and non-existence. The destruction of money by the banking system is an important point, and it is significant that our critic made little or no reference to it.

Practically the whole of industry is carried by bank credit, which means that as each concern receives payment for its product [which payment constitutes the B payment of the next industry in the chain or process], *it must of necessity use that money to repay its bank loan contracted in the production of the goods*, and thereupon the function "destroyed." How, then, can it possibly function as purchasing power? It is true that the B payments of any industry may have represented income or purchasing power *at some time in the past*, but the money had to be spent by the recipients in order to live and, therefore, would be used in the repayment of the loan incurred in the production of the goods which it purchased. Hence, with the exception of the negligible portion which may be saved, that money can in no sense be regarded as purchasing power "now."

This answer in itself should be sufficient to reveal the fallacy of the claim that B payments are also effective purchasing power, for it will be obvious not only that they represent "A" payments of the past or *expended purchasing power*, and therefore cannot represent "income" again in that production; but also that they are in fact simply back payments passing between industries on their way to the banking system for cancellation, and at no stage appear "outside" of industry as income and purchasing power. If we imagine this flow of B payments to go on every day, week and year, flowing constantly and concurrently with the flow of A payments, the one flow of money however, going *backward* to the banking system for cancellation, while the other flow goes *forward* to consumers as purchasing power, it seems indisputable that the A payments as the flow of purchasing power can never equal the two flows of costs represented by $A + B$.

Do B's Become A's?

Now what does Professor Copland mean by the term "ultimately"? Does he mean that the

of money received by the producer of raw materials or machines in payment for his goods is available entirely for expenditure on his personal needs as a consumer? In that event we should have to suppose that such producers contracted no loans, paid no wages or salaries, drew no incomes themselves, and made no purchases at all—in short, that they lived on air—until the goods were marketed and payment received, which may be months, and in some cases years.

Actually the producer or manufacturer pays wages and salaries and draws an income himself as wages of management, *at the time of production*, and to allege that he and his employees will again receive a similar sum on the sale of the produce—excepting that accruing as “profit”—is to claim that producers are paid twice over for their work! The usual practice is for a producer or manufacturer to borrow from a bank or expend his own capital to carry out production, and the money he receives from the sale of his product is used *to repay his loan or restore his capital*. If instead he were to use the proceeds of sales for personal expenditure it would mean, therefore, that he did not repay his bank loan, or that he was living on his capital, and in either case he would very soon cease to function as a producer. It is apparent, then, that if the “B payments,” money is to emerge again from the productive system, as the result of a loan from the banking system, it will do so in respect of NEW production and will register a new cost.

From this analysis it would seem that the most generous and the only intelligible meaning to be placed on Professor Copland's use of the term "ultimately" in relation to B payments, is that they will reappear in further production but, on the next occasion, as A payments, and will then function as purchasing power.

Now accepting this interpretation as correct, it will be at once plain that instead of his explanation constituting a refutation of the $A + B$ Theorem, it is in fact an admission of its truth. For, clearly, if the B payments, in any period, do not become purchasing power until "ultimately," that is, *at some time later*, then they cannot be regarded as purchasing power NOW, that is, *within any period under review*, and when the goods are made in which the B payments appear as costs; and that is the claim Major Douglas makes.

It is to be admitted for the moment that what Copland contends does occur, it is no solution of the problem of the disparity between total costs and purchasing power; because the next period, like the previous one, must also have ITS B costs to be accounted into price, which fact again makes prices greater than the A payments distributed as purchasing power.

analysis implies, let us imagine that each day re-
presents a period or cycle in industrial operations.
On Monday, then, industry pays out, say, £10 as
A payments to individuals, and £10 as B pay-
ments to other organisations. The price of the pro-
duct, therefore, is £20; and in the terms of the A +
B Theorem, the only purchasing power distributed
is £10. Professor Copland, we presume, would
agree with this, for it cannot be disputed that money
used to make B payments cannot, at one and the same
time, be used to pay wages and salaries. But his
claim is that the B payments will "ultimately"
appear as the A payments and make up the deficiency.
Let us see. Now clearly "ultimately" cannot be
Monday. As already suggested it is a physical im-
possibility, since money cannot be in two places at
once. Therefore, we must assume that Tuesday—
the next period—is the "ultimately" referred to,
and that then these "B" payments will appear as
"A" payments and purchasing power. Now on

Tuesday as with Monday, there must of necessity be B payments or charges connected with production, for it will be granted that men are paid wages and salaries only for working on machines in making up raw materials, and that they generally work in buildings—all of which mean costs in production. Consequently we can justifiably set down similar token figures for this period, and assume that B payments are £10 and the A payments £10, a total of £20, which is the price of the product. On Monday we saw there was a deficiency of £10 in purchasing power, and we will now assume that the A payments of Tuesday are used to purchase Monday's production and make good that deficiency. Thus industry for that day will recover its cost. But what will then be the position in relation to Tuesday's production? The A payments of that day were used to make up the deficiency in respect of Monday's production, and therefore there must be a "carry over" of £20 worth of goods—£10 more than was the case with Monday's production. On Wednesday, as with the other periods, industry distributes A payments to individuals amounting to £10, and again has B payments to £10, and again total costs are £20. *But the purchasing power distributed in this period is sufficient to buy only half of Tuesday's "carry over" costing £20, and therefore if it is to be sold that can be done only by waiting until the next period—Thursday—and using ITS A payments for the purpose.* If we imagine this to be done it is clear, as a result, that in disposing of Tuesday's production we have rendered the whole of Wednesday's and Thursday's production unsaleable, or, in other words, there would be £40 worth of goods on the market without money to buy them, unless, of course, more money is created by the banks and advanced for a further and greater extent of production.

This illustration makes plain that the idea of the B payments "ultimately" making up the deficiency in purchasing power is entirely groundless. It is proof, too, of the truth of Major Douglas' contention that production can be bought only by a "draft" and an increasing draft on the purchasing power distributed in respect of future production." Professor Copland also admitted the need for fresh issues of bank credit when he said that the £85,000,000 granted by the banks on the issue of Treasury Bills to finance the Governments' deficits had increased "consumers' income" and "enabled the wheels of Government and industry to keep running as far as possible." Without that £85,000,000 industry would not have been running even as well as it is, which is positive proof that a supply of money *in addition to that paid by industry to consumers* is essential for its continuous working. And further to this point, if his analysis claiming a sufficiency of purchasing power be correct, this inflation of credit to £85,000,000, on his own admission, should have caused a rise in prices. But a rise did not occur and that must be taken as evidence of error in his analysis and of the truth of Major Douglas' claiming a deficiency in purchasing power which the additional £85,000,000 served to make up.

power which the state has to make up.

Professor Copland's analysis amounts to saying, what everyone knows to be true, that if we go on working we shall get some money to buy some goods; but what everyone wants to know, and what he should have demonstrated if he would disprove the $A + B$ Theorem is, that we *already have enough money to buy the goods already produced*. In a world overstocked with goods and equipment, it is surely beside the point to say that the solution lies in producing more goods so that the people may be provided with enough money to buy what already exists in abundance.

(continued)

(To be continued.)

News Notes.

THE BANKS' ANTI-SUBVERSION SUBSIDY.

A reader recently wrote to a well-known London weekly journal to protest against the closure of a correspondence on the credit question. In the course of it he said: "I dare say it would not have occurred to me to observe this had I not read recently that the Institute of Bankers had allocated five million pounds to combat subversive criticism of the banking system and that the large Press Association have express instructions not to mention the name of Major Douglas or refer to his credit scheme." The editor replied, concluding his letter with the statement: "I may add that I have had no suggestions, direct or indirect, made to me in regard to ignoring Major Douglas and his credit scheme, and I should not have paid any attention to them if I had."

"DOLE" COMMISSION'S REPORT. ACTUARIES AND MORTUARIES.

The Commission's recommendations, announced in the Press on November 8, represent, so it is said, a "saving to the Exchequer" of £14,000,000. The tentacles of the Insurance Octopus are to be stretched in three directions—up, down, and out. Income earners with salaries over £250 (the present maximum) and up to £350, come into the new scheme; so do boys and girls of 14; and so do the ratepayers (with a fourpenny rate). The Baruch-Melchett principle (see last week's issue of THE NEW AGE) is to be adopted. That is to say, the whole business is to be taken out of Parliament's control and vested in a body of bankster commissioners who will be free to scale down benefits to a point where the requirements of actuaries will be nicely balanced against the capacities of mortuaries. The old "poverty-line" is effaced, and the new vogue is the "just-not-dead" survival-line. The Life-Assurance experts will stand by watching the Unemployment-Insurance experts get vene with a whiff of oxygen directly the patient shows signs of abandoning his life-claim for a death-claim. The Insurance Combine can't afford to keep him in this world, or to let him cross over into the next; so they halt him midway between the two—a no-man in no-man's-land.

UNEMPLOYMENT "INSURANCE" AND UNEMPLOYMENT "ASSISTANCE."

Able-bodied unemployed "outside the fund," including non-manual and agricultural workers (i.e., people who have never been customers of the Insurance Combine), and those "whose insurance rights are exhausted" (i.e., people whose custom has become unprofitable to the Combine) are to be left on the ratepayers' doorstep. That will cost them the fourpenny rate above mentioned—the "Exchequer" (meaning the same ratepayers as citizens of the State) contributing a block sum of £58,000,000 a year. This ramp is to go by the name of "Unemployment Assistance." Here again the Baruch-Melchett principle is to apply. While the public will supply the money, bankster syndicates will control the dispensing of it—this obviously being the meaning of the Commission's proposal to keep the scheme "distinct from Poor Law relief." And so, when both these schemes are set going according to plan, the Commissioners reassuringly state that "a solvent fund" can be maintained even if the unemployment figure does not fall below 3,000,000. In other words, the Insurance Combine in control of unemployment benefits and reliefs will have no urgent interest to reduce the figure, and if the figure should be reduced, they will plough the saving into their own reserves, which, as readers of this journal understand, means that ultimately the banks will collect and cancel it. The whole scheme is barefaced deflation; yet we will wager that not one of the politicians who have been blaspheming against the gold-standard and advocating inflationary policies will manifest the least sign of noticing it.

IRISH AFFAIRS.

(1) A clash occurred on October 31 between members of the "White Army" and the Republican Army in Co. Cork. (2) There are statements in the London Press that certain money subscribed in England for the last Irish Sweep was being that many purchasers of tickets did not have their names in the "drum" at the drawing. (3) The Daily Mail called (October 31) for an immediate extra duty on Irish livestock in case it is dumped here at scrap prices. (4) References to Mr. de Valera's financial demand, and the White Paper reporting them, appeared in the Daily Mail, October 31. (5) Duties on Irish livestock have since been heavily increased. (6) Meanwhile, the Free State Government has decided to subsidise certain exporters to enable them to jump the British tariff-barrier.

BURNING PEARLS IN JAPAN.

The Sunday Times of November 6 publishes an account from Kobe of a ceremony of pearl-burning, where an aged pearl merchant, in the presence of a company of approving pearl dealers, shovelled a mound of 720,000 pearls into a furnace. The report says: "No sooner had the pearls been burned than the price of pearls went up, and it is hoped that before long it will have increased by 30 per cent." This increase the dealers expect will give them a profit of £300,000. The pearls burned were of inferior quality, and were valued at £10,000.

FIVE PLATELAYERS KILLED AT WATFORD.

At the inquest held last week on five platelayers who were run over at Watford by a train (whose approach was hidden by the smoke from another) the Coroner expressed surprise that the safety of these men—as was disclosed by the evidence—had depended solely on their hearing a whistle. The jury added a rider to their verdict pointing out the need for "better signalling arrangements." Quite so. But "better," in this context, means "more expensive"; and the question becomes one of deciding who bears the cost? If the railway company, from whom does it recover the cost? The railway companies, as it is, are working at a loss of such dimensions that they are being driven to pass the bat round among their own servants. The alternative is to pass it round among their customers. In either case the consequence would be virtually a new tax on the incomes of the community—a tax the proceeds of which would not be re-spent among the community, but would be retired by the banking system in the form of repayments of the loans which the companies have borrowed to finance their existing deficits. Repayments of bank loans destroy deposits—i.e., they diminish the amount of money at the disposal of the public. The solvency or insolvency not only of railway enterprises, but of all enterprise, depends on the amount of disposable money held by the public. Whichever way round you look at the problem you face a dilemma. You can save lives by spending money, or you can save money by spending lives. The dilemma is not that of making a choice between the two policies—on the contrary, it consists in the fact that the bankers don't allow you the choice. "Here; we way directors can't go to the banks and say: 'If you can cut down our mortality figures by 10 per cent. if you will let us have a few hundreds of thousands of pounds,' and get the money. The bankers would reply that the preservation of life has no security-value—that it is a liability, not an asset. So, for the present, the recommendations of coroners' juries must go by the board. But one of these days the soldiers of economic progress on active service in the war for "prosperity," will suddenly wake up to the size of their losses under Montagu Norman's generalship; and then we shall see some pretty drastic doings at his cosmopolitan G.H.Q. For there is a limit to the Norman Casualty List.

MR. THOMAS AND THE RAILWAYMEN.

Mr. Thomas volunteered the advice to the railwaymen recently that their only safeguard against wage-cuts was to "join their unions" and "attend the meetings." This is futile to-day because the Unions are all potentially insolvent. In fact, there would only be sense in accepting Thomas's advice and joining a union if the new members could force the leaders to disclose the true financial position of their respective unions. If they frankly did so it would quickly be realised that the unions have no power to grant them workers better terms than the banks think fit to grant them. As it is, the worker will do himself more good by remaining outside his union, and devoting his saved contributions and time to waking up his employer to the fact of their joint victimisation by the high-financial moneylenders.

NOTICES.

Will readers willing to speak on Social-Credit at Stourbridge communicate with Mr. F. H. Fitzcross, Oxford Cottages, 39, Heath Street, Stourbridge? A small study group has been formed there recently, and meetings are held every Monday night at 7.30 at the "Friends" Meeting House, off Enville Street, Stourbridge. The first Monday of each month is given over for propaganda purposes, and it is for these Mondays that speakers are required. Mr. E. J. Pankhurst, of 22, Beckenham-avenue, Waverley, Liverpool, is desirous of being put into contact with the chief centres in the Northern Area with the view of arranging exchanges of speakers, and also joint consultations in which experiences and plans can be discussed.

Successive Approximations.

When any community undertakes any productive operation, certain things are consumed and lost. The community expends human energy which has to be made good by the consumption of food, clothing, shelter, entertainment, etc., whilst fuels and other materials representing past expenditure of human energy are consumed, and plant of various sorts is worn and depreciated. The whole of this represents a dead loss to the community, but, arising from this loss, there results a certain definite product which must be regarded as a gain.

Suppose the community build a school. All sorts of consumable products purchased with the wages, etc., paid out in the course of long and converging chains of production have been consumed, and various tools and other plant have been depreciated or worn out. The whole of this loss, expressed in monetary units, is accounted as the cost of the school, and the full amount of this cost is debited to the community. But, arising out of this expenditure, stands the school—a building equipped for the instruction and education of the rising generation.

Now, it is greatly to the credit—the real credit—of any community that their budding citizens should be educated, and it seems perfectly logical to expect that such portion of this real credit as resides in an appropriate building should be translated into terms of financial credit and accounted to the community as a per-contra item to the aforesaid debit, figuring on the opposite side of the account.

But the ledgers of the Ministry of Education and of local education authorities may be searched in vain for records of any such credit items. It is much to the community's credit that medical services should be provided for the people, that hungry school children should be fed and their teeth attended to, etc., but while the cost of all these things will unfailingly be debited to the taxpayers, one will look in vain in the books of the Ministries concerned for any entry representing the credit arising from the expenditure.

If inquiry be made amongst the Departmental accountants concerned, we shall be told that though, of course, it is to the national credit that the above and numerous other social services should be provided, yet this credit is something of an abstract nature—quite intangible and indefinite; it would be impossible to express it in any monetary terms.

Well, there is certainly nothing intangible about their debit entries. An income-tax demand-note is about as tangible and concrete a thing as ever jolted a taxpayer, and it seems high time that this worthy citizen queried the impossibility of expressing credits and debits in the same terms.

But while insisting that there must be a monetary equivalent of the credits, equally with the debits, he would have to admit the extreme difficulty of finding it, at the moment. There is, however, one way of finding it—the good old-fashioned method of trial and error.

Supposing that the Ministers in control of the administration of the various social services were also in financial control of them, instead of being marionettes dancing on taxpayer-strings, they would be in a position to credit every taxpayer with a certain proportion of the amount debited to him in respect of these real-credit-creating social services.

What proportion? It might be argued that unless the credit arising from any given expenditure, or debit, were at least equal to the expenditure, i.e., unless the gain were at least equivalent to the loss, any expenditure would be unjustifiable; and it would appear logical to claim that the amount to be paid to the taxpayer as a credit should be at least equal to the debit taken from him, and, therefore, that taxpayers should be so reimbursed, through the medium of the Post Office, from a National Credit Authority.

If the Ministers in question were women, such action might possibly be taken, but in the case of a man it could hardly be expected.

"Very rarely will he squarely push the logic of a fact to its ultimate conclusion in unmitigated act."

So we should have to be content with a reimbursement charges, as a start.

Suppose the payments to be made, and taken by the recipients to the shops. That super-sensitive entity known as "the market" would scent it on the doorsteps. Traders just down the various chains of production would raise prices sufficiently to absorb the additional money in pocket. Consumers would be no better off; the profit-takers would use the money to repay portions of their outstanding loans; and the bankers, in cancelling the loans, would destroy the credit cancellations. The road to economic perdition is paved with bank-

But Ministers in financial control of their Departments would be in a position to offer all traders a steadily expand-

ing consumer-market as a condition of their agreement to limit their profits to a fixed percentage on turnover, any excess to be returnable to the Treasury; and, having fixed up this arrangement with a joyfully unanimous trading community, they could proceed to increase the reimbursements to, say, forty per cent.

Having ascertained from the Astronomer Royal that no serious displacement of the earth's axis had occurred as a result of such hardihood, they could proceed, after a short interval, to fifty per cent. Then on to sixty-five per cent., and forward again; at each stage roping in a larger proportion of the community as taxpayers in respect of the social services, until, on reaching the hundred per cent., all adult citizens would be so included.

At this stage it would be an obvious simplification to cease collecting these taxes, and allow the Departments concerned to draft on the N.C.A. direct. The credit disbursements, as the percentage rose, would, however, continue, and would increase.

How long could this trial-and-error procedure continue? Just so long, surely, as producers could fill the shops slightly faster than the consuming public could empty them. And so, by a series of successive approximations, we arrive at something which begins to bear a suspicious resemblance to a National Dividend. A. W. COLEMAN.

On Swapping Goods for Goods.

Mr. Hiskett's book* is dedicated to Mr. H. G. Wells "in acknowledgment of the influence of his broadcast talk: 'What I Would Do With the World.'"

Mr. Hiskett points out that "it is possible to carry on trading operations with no other medium than such a bill" (a bill of exchange as used, to a large extent, in international trade), and suggests that "if we can devise a method by which all international trade can be conducted by means of bills, which we will call 'Commodity Bills,' we shall have solved the problem in the only logical way."

The problem, of course, is how to distribute goods and services in some better way than at present. "The legal fixation of the value of gold," writes Mr. Hiskett, "and its durability, have made it profitable for countries to accumulate and hold the means of exchange, as an alternative to accepting and consuming the goods it would purchase." And so, "to whatever standard we eventually return, it should be with safeguards to ensure that the means of exchange will not be treated as a commodity and hoarded, to the detriment of the rest of the world."

Again, "... if means can be devised to back currencies directly by goods, then gold, or any metallic standard, will become unnecessary." And in order to assist this it is suggested that "if commodity prices themselves were stabilised, instead of currencies, a wide measure of price fluctuation, inherent in the present system, would be avoided."

Mr. Hiskett proposes to solve the economic problem from the international import-export standpoint, so that "the struggle for markets will become a co-operative effort to increase the volume of commodities exchanged." He appears to take it for granted that the consumers in each country will be able to purchase and use the increased volume of commodities exchanged. His method for adjusting international trade is the use of commodity bills.

"These commodity bills," he explains, "would be issued in respect of all imports of goods, and also all payments due to other countries, whether for services rendered, or in respect of reparations or interest payments." Further, "The one fundamental difference between these commodity bills and the present bills of exchange, would be that while the latter is cancelled by a payment of money, the commodity bills could only be cancelled by a payment in goods or services. Under such a system there would be no encouragement to hoard." "... the tendency would be for such bills to decline in value if hoarded."

One has the feeling that Mr. Hiskett finds the root of our modern economic impasse in hoarding. In his concluding chapter, we read that "the hoarding of money or gold, either by individuals or by States, is an offence against society"; in particular the hoarding of gold.

From whatever angle he approaches the subject this writer arrives "inevitably at the same conclusion, that the misuse of the medium of exchange is slowing down the movement of goods and crippling industry."

As he points out (page 98), his plan "is concerned primarily with international trade."

So much of what Mr. Hiskett has to say springs so plainly from a sound intellectual and emotional motive, that one almost hesitates to cut across his conclusions by examining

* "The Tyranny of Gold: A Way of Escape." By W. R. Hiskett. (Williams and Norgate, 2s. 6d.).

and star of this most unusual and sincerely produced film. It is noteworthy for its apparently complete disregard of studio settings, beautiful photography, superb selection of non-professional "type" players, employment of silent technique, and the remarkably small use of dialogue. As a matter of fact, the spoken word might have been omitted entirely, and no doubt would have been, but for the belief of producers and exhibitors that the public will not pay to see even the best films unless they are reinforced by the sound of the human voice. I regret that I cannot give "The Blue Light" the unreserved praise it has received from so many other critics; it has the defect of moving too slowly, a characteristic the more noticeable owing to the nature and treatment of the theme, which is not rich in dramatic elements. But it is a picture in the grand manner, and one to be recommended to the discriminating.

Smilin' Through: Empire.

For the combination of first-class entertainment and excellent craftsmanship, the Metro-Goldwyn-Mayer organisation is easily ahead of any other commercial film producing concern. This new picture, which has Norma Shearer and Fredric March for its stars, and is being presented on the occasion of the fourth anniversary of the present Empire, is not up to the M.G.M. standard. The story is poor, the dialogue stilted, and the action maddeningly slow in a fashion that is as exceptional in an American as it is usual in an English film. Indeed, the picture might almost have been made in an English studio. There are some unpardonable anachronisms of dialogue in the flash back sequence of which the scene is laid over fifty years ago; when will producers realise that to make Englishmen and women of a bygone era use modern Americanisms is as much of an anachronism as the introduction of motor cars in the eighteen fifties? Miss Shearer is always a box-office attraction, but neither she nor Mr. March nor any of the other players has been given a part that it was possible to clothe with distinction. However, one can forgive much to a producing concern that has given us so many good pictures this year.

Sleepless Nights.

What would English producers do without the chimes of Big Ben, cabarets, and the interiors of Riviera hotels? "Sleepless Nights" conforms with type by having these and all the usual Elstree ingredients; the director was unable to make up his mind, or was not allowed to make up his mind, whether he was engaged on farce, comedy, musical play, or an imitation of René Clair, and so we have bits of all four. The dialogue, even for an English picture, is of a dreadful banality, as are the attempts at humour; the few would-be funny lines—of a type that might appeal to an unsophisticated fourth form boy—lose all effect by a singularly undistinguished cast. After throwing all these bricks, may I add that I derived considerable amusement from the picture (of which the date and place of public showing have not been announced at the moment of writing) and that I am sure it will be a box office success. After all, if the British industry cannot or will not make good films, it is succeeding in diverting considerable sums of money from the pockets of American shareholders, and in finding employment for natives of this country. And that is something.

Current Films.

"As You Desire Me," adapted from the Pirandello play and starring Greta Garbo, will be at Tussaud's and the Stoll until Sunday.

"Chandu, the Magician," is at the Regal. I have not yet seen this picture, which is described as one "in which the camera, so long in this talkie era relegated to a static position, comes into its own again," but I should imagine that a point very much in its favour is the camera work of that superb craftsman, James Wong Howe. By the way, I am asked to mention that beginning from last week the programme at the Regal will in future be changed on Friday instead of Saturday.

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.

Reviews.

Experimental Analyses of Development. By Bernhard Dürken. (George Allen and Unwin. 14s. net.)

This is an extremely interesting book, and seems to me to embody the greatest, indeed, the only real advance in the study of heredity since the days of Mendel. But it is very difficult to review such a technical exposition intelligibly, and moreover, it is a book to be studied, and not merely read through once, and then reviewed. Perhaps the best way of explaining Professor Dürken's view is to draw a parallel, which must be familiar to "New Age" readers. It will be remembered how certain older schools of economics held, and still hold, that all wealth is produced by the labour of individuals by hand and brain, and how the Douglas analysis insists that the production of wealth is a matter of converting solar energy from one form to another, and that this process is not brought about simply by the activity of individuals, working rather alone or together, but also by the presence of the community as a whole. A very similar distinction exists between the older Mendelian view of inheritance, and the one expounded in this book. According to certain "unit characters," of which the colour of the iris is a good example. The physical basis of such a unit character in the fertilised egg is called a "gene," and these genes are said to be located in the chromosomes, which are the chromatin particles into which the cell-nucleus splits during division. Maps have been drawn purporting to show the identical place on the chromosome where a certain gene might be supposed to be located. A purely mechanistic scheme was thus achieved, in which the individual appears simply as a mosaic of unit characters, developed from maternal and paternal genes in varying proportions. This view is parallel to the "labour by hand and brain" theory, the genes being analogous to the labouring individuals. So far the science of genetics. Now the analytical embryologist, in the person of Professor Dürken, enters the field to insist on the partial nature of this view. He no more denies the importance of the chromosomes than Major Douglas denies the necessity for human labour, but he points out that they form only one among many factors in development. He demonstrates, for instance, that the portions of the fertilised egg which will give rise to certain regions of the mature body are not rigidly predetermined, and that by various forms of interference (e.g., ligation, pressure, etc.), applied at the appropriate stage of the cells in development to alter radically the ultimate destiny of the line of development of parts of the egg. In other words the line of development taken by any cell or group of cells is profoundly modified by what is going on in the egg as a whole. Thus we achieve an epigenetic view in contradistinction to the idea of the inherited mosaic. From the very first the sum of his is the true "reaction basis," the real unit of development. And the individual is something more than the separate embryonic cells which are responsible for development. Here the whole germ which carries out development by means of cells." Thus it is, and must remain, impossible to explain development completely on a purely mechanistic basis. One again, the parallel with Major Douglas's line of thought is striking. As engineer, or as analytical embryologist, one would naturally expect both men to make the most of the mechanical aspect of things. But it is precisely by a view, and careful study of the mechanisms concerned that each of them has discovered the necessity for a wide view—a view which may appear almost metaphysical. Hence, by the difficulty of apprehending and explaining their ideas, the older concepts in each case are so cut and dried, so simple to grasp and easy to expound, that only he who loves accuracy more than simplicity will take the trouble to understand the more comprehensive ones. Professor Dürken gives many experiments and observations in support of his view, and the book is furnished with many fine plates. The translation (by H. G. and A. M. Newth) is excellent.

Obelists at Sea. By C. Daly King. (John Heritage. 7s. 6d.) The idea of using modern psychological methods for the detection of criminals has already been employed, forced as they are, by their trade to grasp at any sensation, however day or the day before. Mr. King's idea, however, is a little more subtle. Himself a professor of psychology, he has seen a grand opportunity in the detective story, of poking gentle fun at his own speciality, and the magnificent certainly more amusing than most stories of this sort. There is the usual sort of setting—the magnificent transatlantic liner, carrying among other people, the millionaire who is shot through the heart in the presence of the other passengers, the ensuing hue and cry with suspicion falling

on all sorts of likely and unlikely people, and the discovery that the victim must have been poisoned a few seconds before he was shot, and the ultimate discovery of the criminal in the most impossible person of all. Besides this, there are sundry other shootings and so forth, so that the most avid craving for sensation ought to be satisfied. But the *raison d'être* of the book lies in the presence on board of four psychologists; a behaviourist with his "constituent reflexes," a psycho-physiologist, a psycho-analyst, and a cautious gentleman, who seems to think he is taking a line of his own by refusing to agree to the lines taken by the others. Each tries to solve the problem by his own method, and, of course, each fails, and the author's knowledge of his subject enables him to extract the maximum amount of fun out of the situation. But the fun is always genial and good-humoured, and Mr. King never hits below the belt. With one exception each psychologist represents his school faithfully and without distortion on the author's part, though there are hints of favouritism for Dr. Rees Pons, the psycho-physiologist, and distinct signs of disfavour for the psycho-analyst. He alone is not true to type. He wobbles badly between Freud and Adler. He talks of "complexes," and "the unconscious," and "incest," but pins his faith in detection to "inferiority" and "fictive goals," etc. Surely Mr. King knows that at this date no psychologist can belong so wholeheartedly to both schools? It is like trying to serve God and Mammon. All the same, the book will pass an hour very pleasantly. N. M.

Social Credit and Municipal Elections

In the recent municipal elections Mr. Fred Tait, who stood for one of the wards in Gateshead purely as an advocate of Social Credit, received 427 votes out of a total of 2,314. This is more than one-sixth of the total votes cast, which means that supposing he had secured the same ratio of votes in a parliamentary election he would have saved his deposit. It is probably unsafe to take a line from a municipal to a parliamentary contest, but so far as they go these figures suggest that in a small, compact constituency, where the opportunity for a candidate to make a high proportion of personal contacts is present, he would at least have the pleasure of conducting an educational campaign without being fined £150 for it.

MEETING REPORT.

The Marquis of Tavistock addressed a meeting at the Salem Central Hall, Leeds, on "The World Crisis: Its Causes and Cure," at 8 p.m., on November 9. His Lordship gave an interesting and closely reasoned address which was listened to very intently by an audience of about 1,000 people, who included representatives of all social, professional and business classes. After his address, the Marquis replied to a large number of questions, which showed that the askers had followed his argument closely. After the meeting good business in Social Credit literature was done at the bookstalls, and already at least one extra study group has definitely been formed, while almost certainly others will take shape almost at once. The local Press gave fairly good reports of the proceedings, and if only adequate funds are forthcoming, Social Credit prospects in Leeds will be rosy. This week Mr. Maurice Reckitt, Fr. Demant, Fr. Stacy, and other lights of the League of the Kingdom of God are in the city. The meeting addressed by the Marquis of Tavistock and future Social Credit activities in Leeds are organised by the recently formed Leeds "Douglas" Social Credit Society. H. G. B.

RED HERRINGS.

"Red herrings never die."—*New English Weekly*. This suggests a song for hecklers, based on "Old Soldiers Never Die." Tune is that set to the hymn: "Kind Words Will Never Die." Thus:

♩ :—| t :1 | s :d' | m :—| s :f | r :—| l :s | m :—|
♩ :—| t :1 | s :d' | m :—| s :s | r' :—| t :d' : | : ||

Red herrings never die,
Never die—never die;
Red herrings never die,
Nor ever fade away.

LETTERS TO THE EDITOR.

SOCIAL CREDIT AND TRADE BALANCES.

Sir,—I attended a meeting last Sunday morning. The subject under review was the Douglas Social Credit Scheme. Objection to the scheme was taken by a prominent local economist on the ground that the issue of Credits would create such an increased demand on the international exchange as to upset the balance of trade, adversely to the country issuing the credits. The reply given lacked something in terseness. On thinking the matter over since, the following little formula has emerged: Exports divide themselves into two categories (1) Those exports which are sent out as payment for raw material; (2) all other exports.

Now any increase arising from the Douglas credits would fall under (1). We would have all category (2) to play with, so to speak. And that, it seems to me is all that Douglasites need prove. Is that so? JAS. A. TAIG.

Events of the Week.

(Compiled by M. A. Phillips.)

November 5.

German Transport strike—Police ordered to open fire if necessary—crowds erect street barricades. Nazi and Communist allied against police—several deaths reported (note Reich elections to-day).

Roosevelt supported by Owen D. Young.
Another Trade Union cuts its benefits and allowances.
Insull arrested.

Tension in Dublin—some military activity reported.

November 7.

Cotton strike over.
Further violence in Ireland (Free State).
Work on Cunarder to be resumed.
German elections. Hitler loses slightly and Communists gain somewhat. Government heavily defeated.
Government Conversion Loan (completed) oversubscribed by £100 M.

November 8.

"Dole" report published. Majority recommend slightly lower benefit rates for 13 weeks only (instead of 26). Means Test to remain, but to be administered by Poor Law officials—financed up to a 4d. rate. Minority report wishes to abolish Means Test and give benefit irrespective of period of unemployment—financed by bringing higher paid workers into scheme.
Meat imports cut by 20 per cent. Irish import tax doubled. Unemployment 2,747,000 (minus 111,000 in a month).
Wall Street rise.

November 9.

Roosevelt elected American President.
National transport strike threatened as result of proposed railway wage cuts.
Disturbances between regular police and "specials."
Commissioner threatens disciplinary action.
Death of Richard Kindersley, son of Sir Robert Kindersley (of Lazard Bros. and Bank of England).
Hannington gets three months' imprisonment.

November 10.

Guinness' to brew in England to overcome tariff difficulties.
Communist riots at Geneva—many deaths.
Free State Government to pay bounty to manufacturers equivalent to English import duties.
Beaverbrook howled down by Glasgow working class audience.
Police Council send deputation to Home Secretary to protest against wage cuts, use of special police and closure of their meetings to the public.

November 11.

Armistice Day.
Conservatives produce their prospective Lords' "Reform" plan.
Great Britain asks for moratorium on her 1932-33 American debt instalment.
French Government plans two £28 M. loans for expansion of public works.
MacDonald and Baldwin urge unilateral disarmament for Great Britain.
London Chamber of Commerce suggest international barter to overcome trade depression.

ACADEMY CINEMA, OXFORD STREET

(Opposite Warings) Gerrard 2981.

THIRD WEEK.
THE FAMOUS FRENCH DRAMA
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Large size (18 to the ounce). Non-smouldering.

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Comprising:—

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