

# THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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## NOTES OF THE WEEK.

### Abolition of Grand Juries

A letter from Lord Hugh Cecil appears in *The Times* of July 10. In its own frame of reference it deals with a matter of as much import as when this writer revived the idea of Britain paying off the American Debt in goods. He urges that the present is "surely no time for diminishing the securities for the liberty of the subject," pointing out that the contemplated abolition of Grand Juries would mean the abolition of

"an institution which makes it certain that no one can be tried for such offences as high treason, treason-felony, manslaughter, conspiracy, riot, unlawful assembly, etc., except by the permission of a body of unofficial citizens perfectly independent of Government control. With a tyrannical Government in power magistrates always, and judges often, are powerfully influenced by official policy. No check upon the oppressive administration of justice is so independent as the Grand Jury."

"The arguments from economy and saving of trouble seem inadequate for so dangerous a change." (Our italics.)

This links up with Mr. Justice Avory's public protest against the high-handed levy on judges' salaries, with its logical implication that judges are constitutionally servants of the Crown, a status which, as readers will appreciate, is at the present time equivalent to being servants of the Bank of England and agencies for the imposition of high financial policy on the people over the heads of their representative rulers.

An inspection of the list of offences which Lord Hugh Cecil cites underlines the sinister import of the proposed change. The question of what evidence is relevant or cogent in respect of most of them lies at least as much within the competence of the layman to pronounce upon as of the expert. The fluidity of the Constitution which is so often boasted about makes this so. As our readers saw in respect of the attacks made upon Mr. Lang in Australia, the Constitution can be construed by lawyers and judges whichever way suits the policy of the dominant official power.

Readers will recall Mr. Benjamin Anderson's (the

American banker's) statement that Congress often passed legislation with the knowledge—and because of the knowledge—that the Senate was going to reject it. This passing of the buck was also performed in New South Wales when the Legislative Council solemnly enacted its own dissolution with the knowledge—and because of the knowledge—that the constitutional legality of their act was going to be tested in the High Court: and there is little doubt that the financial interests who inspired the act did so with the knowledge—and because of the knowledge—that the High Court judges would pronounce it to have been unconstitutional. In respect of this episode it is significant to notice that the High Court's ruling was invoked at the instance of two ordinary Australian citizens ("common informers" as they would be designated in certain similar circumstances) whereas it is impossible to see how Mr. Lang would have been able (if he had wanted to) to get a ruling before occupying the time and energy of the Assembly and the Council in debating the issue—and uselessly so as it turned out. Apparently, not only can the banking interests embody their own policy in the drafting of the Constitution, but can in practice prohibit anyone's testing the meaning of the drafting unless they themselves wish the test to be made. And even then, of course, they are safeguarded by the fact, as Lord Hugh Cecil puts it, that "judges are often" (read *always*) "influenced by official" (read *financial*) "policy."

On the day following Lord Hugh's letter *The Times* published (July 11, page 10) another over the signature of Arthur Morley (whose address is given as The Temple). In that letter he quotes Mr. Justice Avory's opinion (at the Hertfordshire Assizes) that Grand Juries ought to be retained. Dealing with the plea of "economy" he points out that these Juries pay their own expenses and do not receive any fees; and he replies to the argument that the Grand-Jury system involves the attendance, and consequent expense, of all witnesses on the first day of the Assizes, by directly challenging it as a statement of fact. "No one can ever say how many prisoners in any calendar at Assizes will plead guilty, how many pleas of guilty will be disposed of on the first day, how many cases it may be possible to try, and which witnesses for the prosecution, or defence, it will be necessary to call. The saving in expense of witnesses by the abolition of Grand Juries

will be trifling." Then he proceeds to raise the Constitutional issue in the following passage:

"It is said that in these days Grand Juries render only perfunctory services; as well might it be argued that we should remove all locks and bolts from our houses and leave them open to all comers because no one has broken into our houses for many years. Grand juries are the constitutional safeguard of our liberties, and the fact that they have proved effective is surely a feeble argument for their abolition.

"Another matter which is often lost sight of is that Grand Juries may themselves originate and present a Bill of Indictment, and in these days it requires little imagination to conceive a time when this power might be of vital importance to the community. The danger is that we may fail to appreciate the wisdom of those who have built up the Constitution, and in a panic of economy fasten upon the community a system which secures to its members everything but justice." (Our italics.)

No reader of this journal needs us to emphasise the significance of Mr. Morley's concluding statement. To our lay minds (and we hope that readers in the legal profession will go thoroughly into this matter and advise us on it) this statement reveals a picture of the Grand Jury in a dual aspect; the one as an instrument of defence against official policy, and the other as an instrument of attack on official policy. Notice particularly the types of issue which fall within the jurisdiction of the Grand Jury—namely high treason and conspiracy. Now, since the educative propaganda of Social Credit has been virtually stigmatised as "subversive" and "seditious" by those who oppose its teaching, it requires little imagination to conceive a time when the writing of certain matters, or the making of certain speeches, or the performance of certain actions, directed towards exercising pressure on the authorities to adopt Social Credit will be construed as conspiracy of a treasonable character. Supposing, then, that the authorities were to proceed against an advocate of Social Credit on a charge of conspiracy. According to Mr. Morley, it would appear that a Grand Jury could, if they thought fit, not only dismiss the indictment, but "originate and present a Bill of Indictment" of their own. In strict theory, and assuming for the moment that the Jury were free to weigh all the logically (as distinct from the legally) relevant merits of the issue, it is conceivable that the accused might not simply resist the charge, but bring a counter-charge of the same character against his accusers, which, if he could sustain it, the Jury might incorporate in a Bill of Indictment.

We are quite prepared to be told by our legal friends that, as things are, such an outcome is not feasible—that the Jury could only hear evidence relating to a "conspiracy" which was statutorily actionable (or was *prima facie* illegal) and that they could not consider evidence of a "conspiracy" which the law had not made actionable, however much they might think (if they heard the evidence) that it ought to have been made actionable. Nevertheless the subject is worth deep reflection at the present time, when the "things-as-they-are" on one day are becoming "things-as-they-were" on the next. Since the technical policy of the Credit Monopoly is being formally thrown open to public discussion and judgment, it is not unreasonable to foresee the time when the discussion and judgment extend to embrace the political manoeuvres of the Credit Monopoly, that is to say, its "conspiracies."

#### Unlawful Assembly.

Another offence cited by Mr. Morley as having to run the gauntlet of a grand jury is one which is intimately connected with the problem of political action which presents itself to Social-Credit advocates in general, and to the Green-Shirt wing of the Movement in particular. That offence is "unlawful assembly." Now the principle of *assembly* governs the action-policy of the Green Shirts, the main purpose of the putting of men into green shirts being that they shall get together and

appear in the streets and other public places in as large numbers as possible. The strategy is that of using mass pageantry as an instrument for exercising mass pressure. No reader of this journal needs to be reminded that insofar as such pressure becomes effective for its purpose (i.e., enlists public sympathy and support to a degree which begins to disturb or embarrass the banking community) the Government will be prompted by the bankers to revise, regulate, re-interpret, or restrict the existing rights of public assembly, and, in the last resort, maybe, to suppress them. How it can be done will be seen by reference to the existing regulation of betting. All betting is legal—even cash betting; but, with regard to cash betting (which, note, is the form in which the "masses" resort to it) there is no place where you are allowed to make a cash bet. The act itself is legal, but wherever you perform the act you are out of legal bounds. You are free to exercise your right to bet so long as you do so *nowhere*. That, at least, is the effect of the law. Its penalties do not fall on the person making the bet but on the person laying the odds, but this is irrelevant to the fact that the law makes cash betting practically impossible except when done surreptitiously. If the street bookmaker is found to stand in any neighbourhood at regular intervals he is fined for "frequenting": if he is seen anywhere at any time in the company of two other persons he is fined for "causing an obstruction": and even if he is seen by himself at any time anywhere he is liable to a fine for "loitering." He may be walking fast, or even running, but he is still "loitering" within the meaning of the Act, provided that when apprehended he has on his person betting-slips or other evidence that he has been taking or settling bets.

So it will be seen how easily the power of assembly can be denied to citizens of this country without formally rescinding their right of assembly. And whereas it is true in regard to betting that the parties can, and do, carry it on in spite of the law down back-streets and alleys, such a loophole of evasion would not be the slightest use to the promoters of mass demonstrations. A furtive demonstration is not a demonstration at all—and mass-pressure without a mass isn't pressure. It is not likely that the bankers, whose influence on legislation is beginning to occupy public attention, would begin by initiating any conspicuous changes in the law relating to "assembly." They would begin by prompting the bringing of an action within the existing law with the ostensible purpose of testing its meaning and efficacy with special reference to the principle of preserving "public peace and order." Now, in the event of a promoter of a demonstration being indicted for holding an unlawful assembly, we do not suppose that, at the present moment, a grand jury would give him a much better deal than the Court. Nevertheless, the kind of people who serve on Grand Juries do tend to reflect more of the public view of policy than suits the bureaucrats. They would tend to investigate and allow weight to circumstances which the bureaucrats would wish to see ruled out. They would be likely, for instance, to ask: "What are these people demonstrating for?—do they have recourse to demonstrations when they possess the power of the vote?" Wouldn't that be for the accused! No, what the bureaucrats would want would be for the issue to be decided solely on the ground that the holding of such assemblies tended to impede the smooth administration of the policy laid upon them by Parliament, and that because it had that effect it was therefore unlawful. In other words, they would want to beg the fundamental question which gave rise to the alleged offence, that question being whether it really was a matter of public interest that the policy should be "smoothly" administered, or administered at all. Even granting that the assembly were proved to be obstructive in a technical sense, and tended to create a localised situation of public disorder, it would still remain the question whether that assembly was being symptomatic of an all-pervasive public unrest, anxiety, and advocating an orderly and just method of removing its cause, should be convicted of an offence.

What is called the "preservation of order" can be bought at the cost of perpetuating a wider disorder; and if the public were allowed to hear all that the Social Credit advocate is ready to say, they might easily come to the conclusion that a given unlawful assembly in public was the product of an unlawful conspiracy in private, and that the way to stop the minor offence was to stop the major offence. The grand-juryman is more likely to take this comprehensive view than is a judge; and for that reason the retention of the grand-jury system is of supreme importance to Social-Credit advocacy and policy.

Sir William Holdsworth, K.C., in a letter to *The Times* of July 13, alludes to the fact that in 1681 "a grand jury saved Lord Shaftesbury from a trial for treason," and comments, with reference to the liberties of the subject:

"These liberties need safeguards even more to-day than they did in 1681, because the bureaucrats of Whitehall who dominate the Cabinet, which in its turn dominates the House of Commons, have established a more effectual and a more oppressive tyranny than the Stuarts ever succeeded in establishing."

This is usefully said, but Sir William stops short of the summit of the pyramid. The bureaucrats are dominated by the Treasury, which in turn is dominated by the Bank of England. At this point the domination is out of the reach of public officials and is exercised by a private business enterprise. Thus the whole body of legislation since the war (to go no further back) has been inspired by a private banking monopoly and imposed through an absent-minded Parliament on the Courts of the land. The figure of Justice now holds bankers' scales and measures out of liberty with bankers' weights.

#### Judges' Salaries and Status.

Mention was made earlier of Mr. Justice Avory's protest against the cuts made in judges' salaries. We wish that he, and the other judges associated with him, could be made to see that the lowering of their status to that of Civil Servants is in strict logical correspondence with the abatement of their function. As Lord Hewart has shown, the bureaucrats (as we say, the banking interests) have made themselves arbiters of what issues shall be tried by the Courts and what shall be tried by themselves. In regard to the issues reserved for bureaucratic adjudication his Lordship pointed out that merits were being ignored by the officials which judges would take into consideration, and he instanced the "crime" of "excessive prescription" remarking that judges in cases where this offence was alleged would certainly measure the fact or degree of excess by reference to the patient's need of proper treatment. This instance, which is typical of all, illustrates the fact that the judges' field of jurisdiction, and the rules of procedure within that field, are alike arbitrarily circumscribed by bankers in their own interests. Since the interests which the bankers most jealously safeguard involve their usurpation of Sovereign powers on the one hand, and automatically withhold from the subject his right to economic security on the other, the judges are virtually the agents of a tyranny and are incapable of fulfilling that function of protecting the subject on which they found their claim to independent status. Of what value to the subject is the fact that judges cannot be removed except with the concurrence of King, Lords and Commons, when the denial of, and threats to, his concurrence of King, Lords and Commons? It means that a judge is irremovable so long as the Governor of the Bank of England sees fit to retain him—which means, so long as he refrains from protecting the liberties of the subject.

Let us hope that as a result of the affront now put on the judges they will wake up to the duties which their high tradition requires of them. Times have changed, and to-day that which was once the complete fulfilment of a judge's duty is not necessarily so now. We refer particularly to the attitude of judges when having to

pronounce judgments which affront the public conscience—and often their own as well. They say: "We are sorry; but we are here not to make law but to administer it as we find it." Now, back in the times when Parliament was free from the dominance of any group, and could legislate according to the conscience and judgment of its members, the judges' attitude was defensible. They could reason to themselves in something like this fashion

"Now this is an unjust judgment that we have to give. But in pronouncing it, and allowing its practical consequences to be realised by the victim and canvassed by his neighbours, we are setting in motion forces of public opinion which will lead to new legislation or repeal."

Such reasoning would be based on the fact that members of Parliament were responsive, if not to the dictates of their conscience, at any rate to the feelings of their constituents at election-times; that there were alternative Parties competing on fairly level terms for office; and that the Cabinet formed by the winning Party was responsive to the feelings of its own supporters.

But this reasoning to-day, or anything comparable to it, would be manifest moonshine. Sir William Holdsworth's statement itself is sufficient proof. Our one-party system has virtually disfranchised the electorate, and we have in Parliament a collection of individuals of whom one of their number aptly remarked that they could all have been "lumps of mud" and got in just the same on the "National" ticket. In their ignorance and cowardice they let the Cabinet boss everything; and the Cabinet, being in a similar condition, let the bankers boss everything. Between the lot of them their only notion of responding to the pressure of public opinion on the subject of anomalies and abuses is to look round and make sure they command sufficient armed force to keep the aggrieved citizens in order. In fact there can be no orderly pressure of public opinion at all unless it is sponsored by the Press, which is dominated by the banking interests. So the judges' policy of giving strictly legal judgments as object lessons is futile, unless of course they are counting upon disorderly resistance, in which case the policy is immoral as well as futile.

Mr. L. Caplan, writing from 2, Hare Court, Inner Temple, to *The Times* of July 15, says:

"For although dismissal [of judges] by the Crown or by either House of Parliament is still impossible the same effect can be obtained by the House of Commons alone reducing to nil the salary of any Judge or Judges. . . . The power of the Crown was curbed by making the Ministers responsible to Parliament. Parliament has now become a pliant instrument in the hands of those Ministers. If the Judges, too, are brought within their control, who shall stand between this country and a Cabinet oligarchy?"

The first part of this quotation is a useful illustration of how the control of money enables people to alter the Constitution within the forms of the Constitution. It matches up exactly with the statement of the *Financial Times* that the bankers can destroy any Government by cutting off advances. As everybody with experience knows the real governing of the country is done by the Civil Service, and if it were not the fact that the bankers find it useful to hire stalking-horses and scapegoats, the whole Parliamentary institution could be dissolved tomorrow without any interruption in the continuity of government. "The King's Government must be carried on" chime the political careerists and humbugs, meaning, by themselves. The "King's Government" always is being carried on, but it is the "Banks' Government," and His Majesty's Ministers have as little to do with its progress as the children at the Zoo who take turns at riding on the elephant.

Mr. Caplan seems unaware of this, and appears to think that our liberties depend on the judges' retention of their status. Whether that is so depends upon what use the judges may make, in the future, of the immunity

attaching to that status. In view of all the circumstances we confess that we cannot see how they can put themselves in a position to protect our liberties without doing something which would affront their professional conscience, namely, by acting ultra vires and challenging, in their judgments, some of the anomalies in the law which they are administering. The late Mr. Justice McCardie began setting precedents of the nature we mean, but his dilemma (which probably caused the mental stress which ended his life) arose from the fact that the occasions of his unorthodox judgments or directions were not related to fundamental issues, and did not imply any such radical changes in the basis of economic and financial principles and policy as alone can reconcile juridical irregularities with the larger ends of sound and balanced judicial practice. He envisaged a perpetuation of the practices and customs arising, and inevitably so, within the existing framework of financial policy. To be specific, he had no idea whether poverty could be eliminated, much less how. Consequently when he directed the discharge of the mother who killed the baby she could not feed, he placed himself in the position of inviting all mothers similarly placed to do the same thing—a prospect which public opinion would rebel against no less than legal opinion. Like St. Paul, when he tried to do good he found evil present in his gesture: and that is the fate of every reformer who does not attack the root cause of all such problems. Mr. Justice Charles, when recently sentencing a man to a long term of imprisonment together with a dozen strokes of the "cat" for holding up a bank declared that he was determined to stamp out this sort of crime. Assuming that it is within the discretion of a judge to make a table of priority for the extirpation of various kinds of crime, and thus to repair on his own initiative the omission of Parliament (representing public opinion) to decide an order of priority, or whether there should be one, then it is not unreasonable to suggest that it might properly lie in the discretion of His Majesty's Judges collectively to inquire into the common cause of the majority of crimes, and at least use their influence to remove the cause and make a clean sweep of them. As a preliminary they might study the arguments in the final Appeal in the action of the Bank of Portugal against Messrs. Waterlow and Son.

### A Petition of Right.

The *Evening Standard* of July 5 discusses the proposal, being considered by the judges, to take action against the Paymaster General for recovery of the salary-cuts made by the National Economy Act of 1931. They would proceed, it says, by presenting a Petition of Right; but this would mean that the action would have to be tried by the High Court judges, who, themselves, are numbered among the parties to the action. This would be a breach of the principle in law that a judge "may not officiate in any action where his personal interests are affected." The *Evening Standard* refers to this as a "legal puzzle," for there is no alternative tribunal provided under the Constitution to decide the matter.

In the same newspaper of July 14 reference is made to Mr. Baldwin's snappy refusal in the House to restore the cuts in salary, and the consequent speeding up of the presentation of the Petition of Right. It will be remembered that Mr. Baldwin ignored the question of the legality of the cuts, merely retorting on his questioners that he did not see why judges' salaries should be immune from cuts any more than his own salary. The issue however turns on the Order made under the National Economy Act making the cuts applicable to "persons in His Majesty's service." Sir William Holdsworth has pointed out that:

"From the beginning of our legal history they [the judges] have acted as interpreters of the law, not only between subject and subject, but as between King and subject."

Therefore they have never been in the service of the Crown. It may be pointed out, incidentally, that when Mr. Baldwin rose in the House two and a half years ago

to object to the appointment of Lord Hewart on the Committee for Electoral Reform, he gave as his reason that Lord Hewart had been nominated by the Liberal Party, and that it was not proper that a high judicial authority should be appointed by any party to a duty of that kind. [See *THE NEW AGE*, December 12, 1929.] The general implication of this was that judges were above politics, and if that is so, the deduction is that they are not subject to political legislation in the sense in which the rest of the community are.

But whatever the issue may be the controversy is on a plane where every advocate of Social Credit wants it to be; and everything possible should be done to help its development from a "private row" into one in which everybody can join in.

The interpretation of the law "as between King and subject" has become the interpretation of the law as between the Bank and the subject. The Three Estates of the Realm are severally or collectively agents of the financial interests which dominate them. All three can be dismissed at the pleasure of the Governor of the Bank of England in the sense that he is able to deprive them of the power to function—to deny them supplies of credit—and thus to "destroy the whole fabric of Government finance." (*Financial Times*.) The "Royal Assent" is now merely the exercise of the power of attorney on behalf of the Governor and Court of the Bank of England. Hence the merits of an act of the "Crown" cannot be judicially surveyed when only Ministers of the Crown may be the respondents to an action against the "Crown." It is the Bank—the *de facto* wielder of the prerogatives of the Crown—against which such action should be brought. Mr. Montagu Norman is responsible for the acts of his legislative agents. The latter can only appeal to such things as "necessity" for balancing the Budget. The former could be made to answer a challenge to prove the "necessity."

### Judges' Salaries.

[Extracts from a letter by Sir Alfred Hopkinson, K.C., to the *Times* of July 17, 1933.]

The fundamental principle of our Constitution and the best protection of the liberty of the subject is that the Royal Bench shall administer the law to all alike and that neither Royal Commands such as were attempted in the days of the Stuart monarchs nor resolutions of the House of Commons, as afterwards attempted, nor any act of the Executive Government constitutionally interfere with the law as administered and declared by the Courts. The recent action of the Executive in depriving Judges of a portion of their salary without their free consent is grossly unconstitutional, and every one who cares for the maintenance of English liberty should join in protesting against it. It is not a question of *quantum* reduction, but if any reduction is made by mere Executive action in breach of the terms of the Judges' appointment, the Constitution is violated.

To get rid of the Act of Settlement by a kind of side-wind and really without discussion is a strange course of action for those whose principles ought to lead them to conserve the Constitution.

Constitutionalists ought to insist on having the matter debated in the House of Commons, and the exact provisions of the Act of Settlement and history of the matter can then be fully discussed. For the present it may be sufficient to quote Hallam's words:—

"After the said settlement shall take effect the Judges' commissions shall be *quam diu se bene gesserint* and their salaries ascertained and established."

[It is useful to recall that professors like Mr. Harold Laski have been virtually inoculating the younger generation with intolerance of the law's delays, thus insidiously endorsing the abuses committed and contemplated by the bureaucracy at the instance of the Treasury and the Bank of England. And just at the time when Lord Hewart's book *The New Despotism*, was published (late in 1929) Mr. Harold Laski was one of the people appointed to sit on the committee to consider the question of "delegated legislation" which Lord Hewart was attacking. (See *The New Leader*, November 1, 1929.)]

## Wireless Debate.

II.

By C. H. Douglas.

### Mr. Dennis Robertson's Wireless Questions.

When we approach Mr. Robertson's question No. 3, we obtain, I think, evidence of his failure to understand the nature of the modern multi-stage production system. This question reads "Does he (Major Douglas) or does he not, still maintain that industry as a whole over considerable periods of time, makes book entries for overhead charges which are enormously in excess of its disbursements for interest and dividends, and for maintenance, renewal, and extension of plant?"

It is obvious from the form of this question, I think, that Mr. Robertson is not aware of any difference between cumulative disbursements of money, and successive disbursements, and receipts of a smaller sum of money, or to put the matter another way, he would appear to believe that every time an industrial undertaking buys a new machine it at once charges the total cost of that machine in the price of something which it is making in the *same period of time*. Now I have no doubt that every manufacturer would like to do this, the net result of which, on his accounts, would be that his real assets in his balance sheet would be written down to nil, and he would require to make no charges for the use of his plant. But if Mr. Robertson supposes that such a course is possible over any wide range of production, then I can only suggest that he devotes a little time to a discussion of the matter with some representative Manufacturing or Agricultural association. What the manufacturer does, *if he can*, is to charge off the machinery as quickly as possible, but as he does not charge it off at the same rate at which it is paid for, it ought to be clear that the sum of these deferred charges is carried over from one period into a successive period, and is not represented by disbursements in that period. The large and increasing number of hire-purchase schemes are based on this situation. The answer to Mr. Robertson's question No. 3, therefore, is that over the *same period of time* industry as a whole *does* make book entries for overhead charges which are in excess of its disbursements for interest and dividends and for maintenance, renewal, and extension of plant.

Question No. 4. "Does he (Major Douglas) or does he not, hold that deficiency of purchasing power arises partly because industry as a whole is normally or progressively repaying its capital indebtedness to the banks?" The qualitative answer to this question appears to me to be so simple that I am surprised that Mr. Robertson should ask it. If we imagine production to be carried on by one organisation, and the money which is the equivalent of the price of that production, to be created by a second organisation (e.g., a bank), and this money creating organisation lends its money to the goods-creating organisation, it is obvious that the repayment to the money-creating organisation of the sum in question will leave a body of goods unrepresented by purchasing power. If this body of goods has reached its final destination—the ultimate consumer, it is *arguable* that the repayment and destruction of the money is correct in principle, although it would be more accurate to say that the money should only go out of existence at the same rate as that at which the goods physically disappear.

But since the great majority of goods produced in a country such as Great Britain are, at the present time, capital goods, they are not sold direct to the ultimate consumer, but are sold to an intermediary who again resells them, through the agency of machine charges, to the ultimate consumer. The repayment of a bank loan which relates to such capital goods, before the capital goods have been completely written off, so that no further charges are made to the public for the use of

them, *does* create a deficiency of purchasing power, and the answer to Mr. Robertson's fourth question, therefore, is that a deficiency of purchasing power *does* arise partly because industry as a whole is repaying its capital indebtedness to the banks at a faster rate than the capital goods to which it refers are being charged off through the collection of their full value from the public.

Mr. Robertson's final question is (5) "If this is the fact, how does banking pay?" I could explain this subject at some length, but as I find it difficult to believe that Mr. Robertson can be serious in asking such a question, I will merely refer him to the "Encyclopædia Britannica," fourteenth edition, in which he will find the statement "Banks lend money by creating the means of payment out of nothing." The answer to Mr. Robertson's fifth question, therefore, is that banks pay by creating the means of payment.

It has been demonstrated within the past few months that it is possible to conduct a debate on these important subjects without recrimination, and to the real enlightenment of everyone concerned. I am sorry that in the last five minutes, at least, of Mr. Robertson's criticism, as well as in certain written comments on my views, he has not felt it desirable to maintain the standard to which I have referred, and, in consequence, his concluding remarks appear to me and many of his hearers, to be undiluted clap-trap. To compare a state of affairs in which, by common consent, there is a physical abundance existing alongside wide spread poverty, with a state of affairs in which a medical expert is faced with the problem of eliminating disease, may conceivably be good yellow journalism, but it is certainly not argument, or even analogy. No one has ever suggested, to my knowledge, that there is any physical difficulty in immensely increasing the present output of goods and services as well as preventing the existing waste of many that are so produced, although every child is aware that the elimination of disease is not immediately practicable. Even Mr. Robertson's own arguments merely suggest that something would happen to the money system as a result of this immense increase of production, which he calls "taking up the slack."

I am conscious of the handicaps under which Mr. Robertson, and others in his position, work, in dealing with questions of this description, but before using phrases such as "bogus money" and "fundamental muddle," I think he ought to realise that it is the existing system and the experts associated with it, of whom he is one, who are on their defence, and that no suggestions have so far been put forward from official sources, which in any way traverse the arguments which I advanced to him, and which he has not met.

(Concluded.)

### "THE TIMES" ON "WORK."

"It is indeed a most consoling reflection that there is no labour so unpleasant in itself but people can be coaxed into doing a little of it, at any rate if it is dressed up as a game or competition. It is told of the inventor Edison that he lured his guests to fill the water tanks in his house, making them pass through turnstiles which barred their paths at various points and were extremely stiff to turn. He had to explain the stiffness, lest his reputation for efficiency should suffer. But his turnstiles only had to be so stiff because his guests were limited in number and each had to make a noticeable contribution. If a man could but tap the energies of the general public, there is no one on the globe who would grudge him a few sweeps of the arm and leg, and these accumulated presents of energy would be a valuable income. The owners of Amusement Parks and Fun Fairs instead of finding their profits in rents, too often from miserable Hoop-La and Coconut people, who invite the public to play with inadequate hoops and too light balls, should give their minds to draining away and transmitting into utilisable form the cataract of human energy that is being so cheerfully and profusely poured out in the quest of pleasure by people who are keeping no account of their physical output, and would be quite good-natured about it even if they discovered what was afoot."—July 11, fourth (humorous) leading article.

## "A+B" Course of Investigation.

### II.—THE PSYCHOLOGICAL ASPECT.

**Problem "B."**—To ascertain the practical effect when production-loans by banks to industry are retired before the production they finance can be put into the consumption market.

This problem, in its formulation, only differs by one word from last week's Problem "A"—i.e., by the substitution of the word "practical" for the word "automatic." In working out the automatic effect the human factor was disregarded. To work out the practical effect the human factor has to be included. In the Exercises set last week the banker and the community were considered as so many Robots variously lending, borrowing, costing, selling and repaying, etc., on the basis of a fixed sum of £1,000 which went into circulation and came out twenty times. The figure of the loans, was constant, and the use made of them was continuous.

If now human beings are substituted for Robots, the question arises: Would the figure of the loans be constant, and would the use of them be continuous?

The Robots' account, at the end of the first period, would show, on the one hand, a clean pass-book (£1,000 borrowed and repaid), £1,000 worth of production, of which £250 would represent the proportion consumed (by assumption, one quarter and sold at cost) and £750 the proportion unconsumed. And *precisely because they were Robots*, one could assume them to go on for the twenty periods finishing up with an accumulation of (20 times £750) £15,000 worth of unconsumed products. For they could be assumed to have no notion of making any use of the accumulating store, and to begin all over again in every period as if no surplus had been carried over from the preceding period. In that case, and assuming that the £250 worth of products "consumed" sufficed to keep these Robots in proper repair and working order, then they could go on borrowing, and the Robot banker could go on lending, the £1,000, and thus maintain a stable economic system without experiencing what is called a "shortage of purchasing-power."

On the other hand, in a community of human beings with present-day mentality, the £15,000 worth of unconsumed products would not be left to waste its sweetness on the desert air; (a) it would be recorded as the property of some persons or other, (b) the worth of that property to the owners would depend on its convertibility into money, (c) the possibility and degree of its conversion would depend upon whether, and if so how much, money the rest of the community had to spare for buying it.

For example, in any of the Exercises set last week, the repayment of the first £1,000 to the banker would involve the purchase by the community, or a section of them, of £750 worth of unconverted production. In current jargon, £750 worth of investment securities. Now, if the investors behaved like the Robots, who, in effect, tore up their securities and forgot all about the unconverted production, the community would enjoy the same stability, and the same adequacy of purchasing-power (!) as the automatons.

But they do not behave so. What they do can be shown thus in the terms of the Exercise. At the beginning of period 2 the £750 is allocated as a charge to the community in respect of £250 each for periods 2, 3 and 4. (This is in accordance with the assumption that conversion is completed in four periods.) But the money entering circulation in period 2 by reason of the loan is £1,000 as before, and, by assumption, is never more than that figure. The consequence is that the community, whose capacity to buy unconverted production is £750 (as it was in period 1), are expected to buy the unconverted new production of period 2 plus the converted old production of period 1 (£750 + £250) £1,000

worth. On these figures they could only do so by using the £250 which they would otherwise have spent on the converted new production of period 2.

Now this at once begins to discourage either the investors in the old production or the makers of the new, or both, and thus tends to reduce (and ultimately to put an end to) investment in old production and borrowing for new production. People will refuse to go on buying securities which depreciate, or go on incurring production costs which cannot be recovered.

One often hears the argument that it does not matter that the cost of total production is higher than incomes distributed over a given period so long as those incomes suffice to pay the cost of consumable production only. In terms of the Exercise, and with reference to the Robot system above described, it does not matter if the Robots get only £250 to spend as against £1,000 worth of production (which is the virtual equivalent of their receiving £1,000 and having to surrender £750 of it for loan-repayment purposes) so long as the consumable goods on offer at £250 suffice to keep them in repair and working order. The snag is in that proviso: "So long as." It involves the supposition that production is continuous on the £1,000-scale while consumption is continuous on the £250-scale. This supposition is tenable in respect of a mathematical investigation, but is manifestly untenable when psychological factors are introduced. What Robots may be conceived to do men will certainly not do—at least unless in some way or other they can be deceived or intimidated into such actions.

Let the student, then, with these considerations in mind, run over any or all of the three Exercises set out last week, and look out for the stages in his mathematical analysis where the human factor must be expected to supervene and disturb his calculations. He will find that there will arrive junctures when any or all of the following obstructions to "continuity" must appear:

- The banker will refuse to go on lending the £1,000.
- The manufacturers will refuse to go on borrowing the £1,000 for production.
- The investors will refuse to go on paying £750 for securities.

Each human agent in the system, banker, manufacturer and investor alike, will independently pursue a course of prudent action which will inevitably result in bringing down the (token) sum of £1,000 towards, and (in theory) eventually to, zero.

The significance of that eventual "zero" is this, that it marks the stage when, in terms of the "A + B" Theorem,  $A = 0$ , and  $B = 0$ ; and when, therefore,  $A = A + B$ !

This does not prove that the Theorem is true, but it makes it antecedently credible. The Social-Credit proposition based on the Theorem is this: That there is a creeping error in accountancy which is causing creeping paralysis in the economic system. If then, the student is able to satisfy himself that the reactions of the human element to the applied rules of existing accountancy cause mechanical obstructions to economic continuity, he is bound either to adopt Major Douglas's explanation, or else to explain the phenomenon by reference to an alternative hypothesis which covers the facts and figures of the present economic paradox with equal completeness and relevancy.

It should be noted, in conclusion, that in the setting of the Exercises nothing has been said about the disruptive effect on employment and wages by capital-labour-saving, development. This is so as not to make the Exercises too intricate to work out. It is simpler, for a beginning, to consider the accumulation of unconverted production as a mass of inert material. For example, it may be pictured as being dumped down round the confines of the enclosed economic area where it serves some purpose similar to a sea-wall. When certain conclusions are reached on that basis, then this employment factor may usefully be brought in to check and revise them.

J. G.

## Objections to Social Credit.

"SEE HOW THEY RUN."

Compiled and Tabulated by

John Hargrave.

[NOTE: Strange as many of the "objections" listed below may seem, each one has been put forward as a serious objection to Social Credit and recorded by me during the last nine years. Those making the objections have all been people of normal intelligence, many of them having had a Public School and University Education, some holding degrees in Economics, and some others being professed economic experts whose advice is sought by governmental authorities and whose opinions carry weight in what are deemed to be the best informed circles. More often than not the objections put forward by one individual have been mutually destructive, or entirely beside the point. I have thought it as well to include them all, however illogical, inapplicable, irrelevant, unsustainable, or misconceived they may be.]

### I.—SCHEME TECHNICALLY UNSOUND. (?)

#### (A).—"Fallacy" of A + B Analysis.

As all "B" costs have appeared as "A" costs (wages, salaries, dividends), A + B is available as consumer purchasing-power. There is, therefore, no shortage of purchasing-power due to methods of costing; all costs having been paid out as wages, etc.

#### (B).—"Fallacy" of the Douglas Solution.

Since the analysis is unsound, it follows that the solution—method of increasing consumer purchasing-power—is also unsound. But even if the analysis were correct, the scheme would be unworkable.

### II. SCHEME UNWORKABLE. (?)

#### (A).—Breakdown of Production and Consumption.

##### (i). Lack and/or Glut of Human Labour.

- There will be no one to do any work.
- As everyone would get the National Dividend no one could be found to watch the machines. There would be no incentive to do even the work necessary in a Social Credit State.
- As it would be possible to get more money (over and above the National Dividend) by working—everyone would rush to get work. This stampede for work would upset all calculations.
- Given money, the population would decrease steadily, and the productive speed and efficiency would drop down and down, because there would not be enough people to run the productive system at the level required.

##### (ii). Lack of Raw Materials. (Exhaustion of Solar Energy.)

- If the productive system supplied all the goods and services it could produce, as and when required to meet the needs of everyone, supplies of Raw Materials would be rapidly exhausted. Coal and oil, for example.
- As in physics, so in economics: *Ex nihilo nihil fit*. Matter and energy when used are used up, dissipated. "There is no such thing as ever really getting anything for nothing." Your scheme is a "something for nothing" scheme, like "a conjurer drawing rabbits out of a hat." But "the laws of conservation of matter and energy" permit of no such conjuring-trick.

##### (iii). Lack and/or Glut of Means of Production.

- Our present machinery plus a few highly skilled men could not possibly stand the strain of producing sufficient goods and services to meet the increased demands of everyone.
- If our modern productive system were stimulated to the fullest extent possible, we should be faced with such a staggering output that it would be impossible for the community to absorb it.
- The population would increase by leaps and bounds and our productive plant and organisation could never keep pace with the demand.

##### (iv). Lack and/or Glut of Finished Goods for Sale.

- The shops would be glutted with goods.
- The shops would be empty.
- If all goods produced are going to be sold, there will be nothing to stop the manufacturer from flooding the market with unwanted goods.
- Of course, the manufacturer is certain to welcome such a scheme because it would increase consumer markets, but the retailer would be ruined because he would be selling at a loss.

- Of course, the retailer is certain to welcome such a scheme, because it will increase his sales, but the manufacturer will be forced to go out of business because it is impossible to sell below cost.
- It is not possible to produce more than a certain amount of goods and services. There is a limit beyond which it is impossible to go, owing to the limitation of the supply of Raw Materials.

##### (v). Lack and/or Glut of Purchasing Power.

- If the retailer is to be reimbursed the difference between the Scientific Price and the price charged by the wholesaler, the amount of money in circulation will increase with each transaction, so that there will be an ever-accumulating amount of purchasing-power which will buy less and less. This is a form of chronic inflation that must end in the complete breakdown of the economic system.
- All stocks of consumable goods would be rapidly exhausted and, although there would be plenty of money-tokens, there would soon be nothing to buy. There would be too much money in the pockets of the people and "not enough goods to go round."
- There would not be enough money to buy the goods produced, in spite of, or rather, because of Social Credit; for although there would be a glut of goods in the shops, the money-tokens in the pockets of the people would be "worthless scraps of paper."
- You cannot issue credit money on the basis of getting "something for nothing." It would not work because any new issue of credit money, whether issued by the State, a private bank, or a counterfeiter, "comes from those who give it up to the issuers, and is owed to them." Consequently, any new issue that has not been "given up" by those who "earn" it, but is created "out of nothing," is worthless (an attempt to get "something for nothing") and cannot be exchanged for goods, because the goods are not there, because this money created-out-of-nothing has not been "earned" by making the goods in the first place. Such a scheme is the worst form of inflation, and would lead to a situation in which all money ("good" and "bad" alike) would cease to have any value.

##### (B).—Breakdown of the Import-Export System.

- If the home market consumed to capacity there would be no goods for export, and as our food supply depends upon imported wheat . . .
- If industry were speeded up by the issue of consumer purchasing-power it would rapidly fill the home market with all the goods that could be consumed, and we should have a huge surplus of unconsumable goods left on our hands, which could not be exported.
- We should have no money with which to pay for imports, because we should be spending it all in the home market.
- The pound sterling would be "hammered" on the international exchange, and we should be unable to buy wheat from abroad. We should be starved out very quickly.

##### (C).—Impossibility of Calculation.

- It would be impossible to discover the facts and figures necessary to ascertain the total Production and Consumption of the community, without which the Scientific Price is incalculable.
- In order to arrive at the Scientific Price it would be necessary to make a complete re-valuation of every article—every hat, coat, pair of boots, table, chair, inkpot, pen—and as that is impossible . . .
- There would be no "standard of value" by which to calculate the value of the goods produced, and therefore it would be impossible to arrive at the Scientific Price.

##### (D).—Impossibility of Administration.

- It would be necessary to have a vast horde of inspectors to see that retail traders sold their goods at the Scientific Price, and even then . . .
- The whole scheme could be upset by swindlers and crooks, who would print and circulate millions of spurious notes.
- There would be nothing to stop the manufacturer applying for "new credits for new production," and then, instead of using the credits for that purpose, using them to his own private advantage.
- The manufacturer would raise prices, and the Scientific Price would be upset instantly.
- It would be impossible to know whether goods and services were being sold at the Scientific Price or not, and

- there would be nothing to stop sharp business men and financiers from making huge fortunes by manipulating the price-level and pretending it was the Scientific Price.
- As it would be impossible for anyone to amass money by financial manipulation or by any sort of sharp practice (owing to the Price Adjustment), all "the really clever brains" would go out of business, and there would be no one to take their places. The commercial world would soon come to a standstill. . . .
  - If the bankers were forced to issue credits without requiring them to be paid back (by the consumer, via industry), they would be bankrupt immediately. The whole financial system would break down, and no one would have any money at all. . . .

(E).—Psychological Factors.

- People would not buy more goods, even if they had more money to spend.
- People would spend every penny, however much you gave them, and the scheme would break down in consequence.
- People would hoard their money, and nothing would induce them to part with it.
- There would be no incentive to save money, thrift would disappear, and the result would be a nation of spend-thrifts. . . .
- There would be an orgy of speculation and gambling in stocks and shares—people would rush to "get rich quick" by buying and selling on the Stock Exchange. . . .
- There would be no incentive to invest money in industry, and so industry would come to a standstill.
- Everyone would want to invest their money in industry instead of spending it on consumable goods.
- People would refuse to accept the National Dividend because they would regard it as a "dole."
- Even if people could have a National Dividend of £300 a year each, they would never be satisfied.
- If people found they could get all the things they desired without difficulty, they would very soon get tired of them and cease to want them. Production would fall off and slow down, and we should find ourselves far worse off than we are now.
- If people found they could get all the things they desired, they would want more and more, with the result that the productive system would break down.

(F).—Orthodox Economists' Objections.

[See also I. (A) and (B), and II. (A) to (E).]

- The Douglas Scheme is nothing more nor less than inflation.
- The whole financial mechanism is so delicately balanced that any sort of interference with it would result in the complete collapse of civilisation.
- It would not work, because it attempts to ignore the inexorable Law of Supply and Demand.
- It all sounds very fine—but where is the money to come from?
- The whole of the banking and financial system would collapse immediately.
- Economics is such a vastly complicated subject that how any layman has the intellectual effrontery to stand up and pretend he really understands anything about it—much less produce yet another panacea for the world's economic ills. . . .
- If what you say about the banking system is correct, industry would have come to a standstill long before now.
- No one can understand the Douglas Scheme.
- It is too simple.
- It is too complicated.
- It is unintelligible even to the economic expert.
- Major Douglas never gets down to the practical details of his scheme. In fact, there is no Scheme. It is merely a clever theoretical exposition, built upon a fallacy.
- Major Douglas puts forward a ready-made, cut-and-dried scheme, with all the details of its technical mechanism worked out, but he fails to relate this scheme to the principles of Sound Finance, without which any scheme is worthless, and even dangerous. . . .
- Even if the scheme were technically sound and workable, it would still remain undesirable.

III.—SCHEME UNDESIRABLE (?).

(i). Moral and Ethical Objections.

- If people are released from work, they will run amok and "go to the dogs"—drink, immorality. . . .
- It will produce a community of lazy people.

- The Few will have to work for the Many, which is unfair. Every individual ought to do his quota of work, even if it is only two hours a day. "If a man will not work. . . ."
- Most people dislike having to work, and they would all want to draw the National Dividend, and do nothing, which would be very bad for them.
- Most people want to work—no one enjoys being idle for long. There won't be any work for them, and they would deteriorate morally and physically in consequence. They simply won't know what to do with themselves.
- Having more goods and services will not make people any happier. "Money cannot buy happiness. . . ."
- It would bring out all the worst traits in human nature—acquisitiveness, enmity, greed, self-seeking, thoughtlessness, brutality, animal passions. . . .

(ii). Religious Objections.

- By allowing people to gratify the "lower self" it will turn them away from Religion towards sheer Materialism.
- It will encourage people to put material gain before "spiritual values."
- People would tend towards nothing but pleasure-seeking and devote no time to "spiritual development."
- It puts forward Materialism and Self as the be-all and end-all of human existence, and must result in Godlessness and Sinfulness.
- It places Money before everything. It would lead to the worship of Mammon. People would come to think of money first and God last. They would look upon the whole of life in terms of money. "The love of money is the root of all evil" . . . .
- It interferes with Divine Laws governing the life of man on earth, which, although difficult and perhaps well-nigh impossible for us to comprehend, are specially designed for our physical, mental, and spiritual welfare. "God moves in a mysterious way His wonders to perform. . . ."

(iii). Cultural Objections.

- As it would be impossible to find anyone to work to make leisure possible, we should all have to go back to a primitive life—live in caves and eat roots. . . .
- Art and Culture would cease to exist, because the artist-type would have no incentive to produce good work. Who ever heard of an artist with plenty of money painting a masterpiece. . . . ?
- It will be all right for artists, poets, musicians, and so on, because they love the work they do in any case. But what about the rest of us who have no special "gifts" of that sort? We shall be bored to death having nothing to do. . . .
- Unless we "educated for leisure" I don't see how the scheme would work. So really the first task is to Educate the People for Leisure, and only introduce Social Credit when they are fitted to enjoy it. That will probably take several generations. . . . but one ought to begin to "educate for leisure" now, so that when the time comes for something like Social Credit. . . . It would be fatal to give the masses leisure before they had been educated to make proper use of it.
- As everything would be done by machinery, handicrafts and rural occupations would disappear altogether. Social Credit deals a deathblow at "folk-culture" in all its forms, and merely extends the power of the Machine to enslave Man. Everything will be mass-produced and standardised. The artist-craftsman will be eliminated, and his place taken by batteries of automatics. It will result in a Robot State devoid of any art expression springing from the creative joy and skill of the individual craftsman.

(iv). Political Objections.

- No political party could ever be induced to take it up because it would mean an unbalanced Budget.
- It would require a revolution to "put in" Social Credit.
- It would be necessary to have a Fascist Dictatorship to run this scheme.
- It might work in Soviet Russia, under a Stalin, but not here. . . .
- It would mean the Nationalisation of everything.
- It is simply a form of Socialism.
- It is simply another plan for bolstering-up Capitalism.
- I see no difference between this scheme and Communism.
- People will never vote for a scheme that will put them out of work.

- The bankers could upset any government that tried to introduce such a scheme.
- It confuses the revolutionary aims of the "class-conscious proletariat" and delays the Workers' Revolution.
- It leads to Economic Nationalism at a time when all political parties and all national governments have agreed to sink their "nationalisms" and to attempt to work together towards "international understanding."
- Owing to the "interdependence of nations" no such scheme would be possible unless every government in the world agreed to put it into operation at the same time. Then it might have a chance. . . . But as that is out of the question. . . .
- The powerful middle-classes will never vote for a scheme that would deprive them of servants.
- The Labour Party examined the scheme years ago and found it to be a fallacy.
- Before anything of the sort could be done it would be necessary to "nationalise the banks." If a really strong Labour-Socialist government is returned they will do that, and the result will be very much what you are out for. So there is no need for any special Social Credit Scheme. The first thing is to get a strong Labour-Socialist government into power to "nationalise the banks." After that Social Credit will come about automatically, because all credit will have been "socialised."

(v). Social Objections.

- There will be no one to do the "dirty work." Who would look after the main sewers? There would be no dustmen, window-cleaners, street-sweepers, porters. . . .
- It will be impossible to get servants.
- What is to become of the servant-class? They are not "educated for leisure," and many of them will be miserable without their work to do.
- There would be no pleasure in having a luxurious motor-car or yacht if every Tom, Dick, and Harry could have one.
- Having so much time on their hands, and nothing much to do, people would become introspective, morbid, and apathetic. Without work they would just sit at home and mope. Many of them would pine away.
- No one will stay at home for a second. Life will be one excitement after another. All home life will disappear. People will rush about the earth in motors, airplanes, and speedboats. Life will be one long round of pleasure. People will turn night into day. It will be nothing but dances, shows, cocktail parties. The whole world would be filled with speed-fiends, and the escape from boredom would result in an Age of Frantic Restlessness far worse than it is now.
- It will do away with competition.
- Competition will still exist.
- The Industrialist will not be able to make profits, and the only people to benefit will be the ne'er-do-wells, the won't-works, the born-tired, and the shiftless. It will be a world of Slackers and Loafers.
- The Capitalist will still be able to make profits, and therefore the Workers will still be exploited by the capitalist-class. . . .
- It will give too much power to the working-classes. . . .
- Although you may pretend that Social Credit is not Socialism, because it makes no direct attack on the present system of private ownership, it is obvious that if prices are to be fixed (sic) the whole trade and industry of the country will have to be taken over and run by the State.
- As Social Credit does not do away with private ownership it means that the present Capitalist system will go on just the same—there will still be "social inequality"—Masters and Men—with no benefit to the Workers whatever.
- "Social inequality" would cease to exist, and as a consequence there would be no incentive to invent new machines and to improve processes; scientific research would stop altogether. There would be no books, no poetry, no art, and no music. There would be nothing. Those who worked would get more than those unable to get work, and so there would still be "social inequality."
- People would look to the State to provide them with everything and would make no effort to help themselves. We should all become "parasites." It would be worse than Communism.

- We should all become anti-social. No one would be willing to co-operate with anyone else. Each individual would be "out for himself." It would be Individualism run rampant. Even Communism of the Russian type would be preferable to that.
- Instead of solving the Unemployment Problem it would increase unemployment. Large numbers of those now able to get work would be thrown out of work by the introduction of new and better machinery and improved processes of production.
- There would be no leisure for anyone because, in order to keep pace with the ever-increasing demand for goods and services, the whole community would have to toil from morning to night to keep up the level of production. Only a community of ants or bees could do this, and it will result in the Termitic State in which Work is the be-all and end-all of human existence.
- Millions of slum-dwellers would swarm out of the poorer quarters of every great town and city, and the whole country would soon be turned into One Vast Slum.
- Giving the Poor money is not the way to help them. The slum-dwellers, for example, like living in the slums—they would be unhappy in different surroundings—and even if they had money they would still prefer to live herded together in the narrow streets that mean "home" to them. Nothing short of using force would induce them to leave the slums.
- People will all be exactly alike. Individual characteristics will disappear, and we shall have a community of uniformity in which life runs at a dead level, and in which each person is cast in the same mould. There will be no scope for genius, the expression of personality will be impossible, and individual initiative will die out altogether.
- Everyone will express his own personality in his own way without thought for others, and we shall have a community of rampant egoism. There will be no place for the ordinary, normal type, and the result will be a sort of Cranks' Paradise full of freaks, faddists, and fools. It may be all right for the genius—he might survive—but the plain man (the man-in-the-street) will have no chance at all.
- There is a large number of lunatics, imbeciles, and feeble-minded people who are already a heavy financial burden to the rest of the community. If all these are to have the National Dividend the burden will be increased enormously.
- It would lead directly to War because all the other nations would be jealous of the prosperity of a Social Credit State.
- It would lead to war because other nations would try to upset the scheme by holding up our food supplies.

(vi). Racial and Eugenic Objections.

- It is well known that the monied classes tend to have smaller and smaller families. If everyone is to have money the human race will eventually die out.
- Given money and leisure all the lowest types—slum-dwellers, many of whom are feeble-minded—would breed like rats. There would be nothing to stop them. It would be essential to enforce the sterilisation of the unfit and the feeble-minded before introducing Social Credit, otherwise we should have a C<sub>3</sub> population in next to no time.
- We are already over-populated and suffering from overcrowding. Social Credit would make matters ten times worse.
- People would go mad if they had nothing to do.
- Owing to the elimination of the Struggle for Existence, all classes would deteriorate rapidly. The Law of the Survival of the Fittest would cease to operate, the Best Types would die out, and finally the whole race would become extinct through physical and mental degeneration and decay.
- Released from toil and plunged into the dangers of unlimited leisure, only the Fit and the Strong in mind and body could hope to survive. The weaklings would go to the wall through excessive indulgence in every form of vice, into which they would fall very easily. It would lead to the wholesale elimination of the feeble and the weak. Might would be Right, and "the Devil take the hindmost."
- It would be the end of the Nordic Race. Only Jews and non-Aryans could exist.
- By eliminating the economic struggle it would remove one of the chief causes of war, but the result on human character would be disastrous. War may be ethically wrong, but without this stimulus the manhood of the nations would decline. Wars would become a thing of

the past, the "fighting instinct" would die out, and every nation would become flabby, effeminate, and effete. . . . There would be no incentive even to keep alive.

i. By stimulating industry to an unheard-of degree, it would intensify the struggle for Raw Materials. This would plunge us all straight into the Next World War, which, waged with modern weapons of destruction (including all the latest developments in Chemical Warfare), would simply wipe out the whole human race.

(vii.) *Common Psychological Reactions (Miscellaneous).*

Professor Jorkins, of the So-and-So University, says that Douglas is "quite unintelligible." If he cannot make head nor tail of it . . .

If Social Credit is right, why hasn't it been tried out before now? Why don't the bankers try it? Or, if not the bankers, the politicians? After all, they're all doing their level best to find some way out of the present economic impasse. . . .

If it were really sound it would have been recognised as such by the economic experts and put into operation long ago.

The Labour Party made an official Report on the Douglas Scheme years ago, and found the whole thing was a fallacy.

I agree with the analysis: anyone can see there are plenty of goods and that people can't buy them—but how is one to know that the Douglas solution is the right one?

If, as you say, purchasing-power is continually diminishing, how is it there is any money at all?

It might work out as you say it would—to the benefit of everyone—but supposing it didn't?

If we were all saints and angels it might work, but "human nature being what it is" . . .

It sounds all right in theory, but . . .

It sounds "too good to be true."

Of course there are so many of these Utopian schemes for putting everything right by just pressing a button.

Major Douglas put his scheme before the Macmillan Committee—if it was sound, why wasn't it taken up and applied?

People who live on interest received from investments would be left stranded.

After all, if you gave people more money they would only spend it.

In a very little time no one would have any money left.

I don't believe people would be the slightest bit better off even if they had more money to spend.

People wouldn't know what to do with money even if they had it.

People wouldn't know how to spend their money. They would only spend it on all "the wrong things."

People would only be miserable if they had plenty of money.

After all, money isn't everything . . .

People would buy all the things they didn't want.

If I had lots of money I should be miserable . . .

You can't buy any of the Best Things in Life . . .

It would only make people discontented.

Rich people are never really happy . . .

I should hate to have everything I wanted . . .

People would only want more and more money.

Even if it is possible, people ought not to have money without working for it.

Nothing would induce me to take a penny I had not earned.

After all, "you cannot have your cake and eat it." (!)

#### IV. SCHEME CANNOT BE APPLIED (?)

Even if Social Credit is technically sound, workable, and desirable, there seems to be no way of applying it.

[Note: On careful examination it will be found that only a very few of the "objections" listed above are worthy of serious consideration. Many of them are merely expressions of the Work Complex or the Scarcity Complex (Fear of Plenty), while many others arise from lack of study and information. Perhaps the last "objection" of all (under Part IV., above) is the one that should now claim the attention of the rapidly increasing body of Social Credit advocates in this and other countries.]

["He who knows only his own side of the case knows little of that." The above compendium of reactions to the Social-Credit analysis and proposals is invaluable to the Social-Credit advocate. The type is being held in view of re-printing. Will groups and individuals notify us within the next seven days whether they want re-prints, and if so, how many, or to what value.

The price will, of course, depend on the total quantity requisitioned.—Ed.]

## Music.

Sigrid Karg-Elert (Organ Music Society), Holy Trinity, Sloane-square, June 22.

This composer, who was born in 1877 (Not 1879, as stated on the programme and in several Press reports) and died in April this year, was unquestionably the greatest contemporary writer for the organ.

His work exhibited a truly phenomenal richness and variety of invention coupled to what was virtually an intuitive knowledge of every conceivable effect extractable from the modern organ (I do not, of course, refer to that oleaginous and obscene terminological contradiction, the "cinema organ"), and when to this is added the fact that he possessed a Bach-Reger polyphonic fluency plus a Delian harmonic palette it is clear that a Karg-Elert recital will escape the charge of monotony common to one-composer programmes.

This, incidentally, was proved conclusively in May, 1930, when Karg-Elert was accorded in London a Festival of ten recitals devoted exclusively to his music—perhaps the most significant expression of appreciation ever given to an organ composer during his lifetime.

The fact that the memorial recital given under the auspices of the Organ Music Society by no means came up to one's expectations, was not, therefore, the fault of the composer, and may be attributed to an unfortunate concatenation of circumstances: none of the participants, including that very distinguished artist, Mr. Thalben-Ball, appeared to be at their best, some were definitely unfamiliar with the organ, the violinist produced a deal of curious intonation and was ill attuned to the organ (itself on the sharp side), and the work of the choir was barely adequate. Mr. H. L. Balfour played three of the "Chorale Improvisations," Op. 65 (Karg-Elert's first work for the organ proper—previous works being transcriptions of pieces for the *kunstharfe*, a *monium*, etc.—consisting of sixty-six "Improvisations," a wonderful series and undeniably the most important contribution to this genre since the time of Bach), but much of the accompanimental detail was unclear and scrambled, while the tempo of the "March Triomphale" was too slow to be effective.

Mr. Thalben-Ball then played the beautiful "Pax Vobiscum," from Op. 86, in what I considered a hard and mechanical manner; in a piece of this sort, i.e., one with considerable repetition, a more varied scheme of registration would have helped matters. "Lauda Sion," from "Cathedral Windows," op. 106 (a group of Plainsong melodies subjected to Karg-Elert's characteristic harmonic treatment with wholly enchanting results) was also a little unconvincing, the tempo being again too slow and the rhythm insufficiently clear-cut. On the other hand, in "Seven Sacred Moon" and "Hymn to the Stars," from the "Pastels from the Lake of Constance," Op. 96—perhaps the most successful impressionistic pieces ever written for the organ—Mr. Thalben-Ball was at his best and admirably realised the composer's intentions both in mood and colouring, incidentally exhibiting to advantage some of the charming solo stops of this organ.

I have heard Mr. Nicholas Choveaux play the "Legend" from Op. 141 considerably better than he did on this occasion; it is a piece that he has made peculiarly his own, and as indeed he might, in view of its dedication—and in the circumstances one must attribute certain rhythmical and registration irregularities to inexperience with this organ (a peculiarly difficult one to control), an explanation that is borne out by the fact that some sections of Op. 65, were "Chorale Studies," Op. 78 (a supplement to Op. 65), were indistinct and the pianissimos pushed to the point of inaudibility.

Karg-Elert developed in his "second period" a fondness for the title "Canzona," and subsequently introduced the "Symphonie Canzona," of which he wrote three, Op. 88. They consist of several contrasted movements with the "Canzona"—an extended example of melodic writing, the focal point, and the third of this series, which should have been the *pièce de résistance*, unfortunately succeeded in achieving only something of an anti-climax. Mr. Peart Hosken played the organ part capably enough but without any great sense of authority; with the entrance of ensemble and choir, owing to mal-intonation, weakness of cadences, and a general lack of imagination, matters progressed declined until the beautiful and moving closing cadence quite Delian in essence—was almost a parody of itself. Hosken, with the aid of a colleague, valiantly endeavoured to conduct and play at any rate some of the "Symphonie Canzona," but this sort of thing really will not do: the Symphonie Canzona is one of Karg-Elert's choicest crea-

tions, and it is greatly to be hoped that we shall be given further opportunities of hearing this work in proper conditions, i.e., with an organist, violinist, conductor, and trained choir, in tune with themselves and each other.

## The Films.

### Clear All Wires: Empire.

It is to the credit of Hollywood that it is gradually "de-bunking" most of the cherished illusions and institutions of God's Own Country. The process of showing the American Press as it is began with "The Front Page," and although "Clear All Wires" is not in the same category as that outstanding film, it makes a good satirical commentary on the methods of the Yellow Press, which creates news by the simple expedients of lies and distortion. (It is the duty of the critic to remind his hearers that those methods are not confined to Transatlantic journalism.) This is an amusing picture, played, directed, and edited at high speed, with a really excellent opening sequence based on the best of contemporary Russian and German pure-film technique, and having an admirable musical accompaniment. George Hill directed, and the cast includes Lee Tracy, as the ultra-yellow journalist, Una Merkel, James Gleason, and our own Benita Hume. Don't take the portrayal of contemporary Russian life too seriously.

### The Stars in Their Discourses.

I have recently had brief talks with two film stars who unite artistry and personality—Norma Shearer and Ramon Novarro. Miss Shearer, who has not yet decided on her next picture, is also undecided as to whether she should select a sophisticated or an unsophisticated role. The former is her recognised metier, yet "Smilin' Through," which is as unsophisticated as a stick of barley sugar, has been one of her greatest box office successes. The moral appears to be that there is a public for the good and the not-good, for Proust and Charles Garvice. This critic believes that Miss Shearer should concentrate on lacquered, enamelled, and artificial robes rather than emulate Mary Pickford, notwithstanding the cash value of an incursion into the saccharine. And her great need is a really good film, sophisticated or unsophisticated.

Mr. Novarro, apparently, desires to make the most of three worlds—theatre, film, and opera—and hesitates as to his preference. I gather that he prefers the personal contact with a flesh and blood audience to the impersonality of acting for the screen, but cannot make up his mind to concentrate on either, while the singer also wars with the actor. His is an interesting confession; the artist struggles with the celluloid hero. May the best man win.

### The Circus of Sin: General Release.

If you ask me why "Sin," I can't tell you. Nor, I expect, can E. A. Dupont, who made this picture for the German Harmonie concern. Its only redeeming feature is its shortness. Otherwise it is so consistently bad throughout that until I was assured of the contrary I concluded it had been made in the silent days and hastily fitted with tacked dialogue extemporised long after the event. Actually the dialogue of the so-called English version was made in America, which explains why most of the players talk with American accents and exclusively use American slang.

"The Circus of Sin" is being sent out into the world as successor to "Vaudeville," and as "the talking badly lit in the manner of a dozen years ago, badly acted, and entirely devoid of interest. So much for the comparison with one of the few real masterpieces of the cinema. Mr. Dupont, who was always addicted to camera tricks for their own sake, here serves up all the stale tricks ad nauseam; he gives us close-ups of tumblers into which beer is being poured, contorted camera angles, players photographed in silhouette, upside down close-ups, reflections, and photography through wire netting. This is not art; it is merely exploded artifice. Anna Sten is even worse than she was in "Tempest," but if Jannings cannot make this young lady into anything more vivid than a tailor's dummy, no one else can.

### Hail, Columbia.

The latest American concern to announce a programme of film-making in this country is the Columbia Picture Corporation. So far these American ventures have mainly been talk. Warner Brothers, for instance, were going to star George Arliss in a British production. Similarly, American actors and actresses with a considerable box office following announce periodically that they are about to start work in an English studio. They actually arrive in England; some return to Hollywood after assuring interviewers how wonderfully our policemen are, and the others actually appear in

films of which the less said the better. Consequently the Columbia announcement does not necessarily mean intensive production on this side of the Atlantic.

But certain facts emerge. Harry Cohn, the Columbia president, "after four weeks of concentrated effort, is now in a position to announce"—I quote the official publicity—that the Corporation's first British production will be "The Lady is Willing," with Cedric Hardwicke and Leslie Howard in the cast. The leading lady, who is, if possible, to be British, has not yet been chosen. To quote Mr. Cohn, she must be "a nice, young, good-looking girl of about twenty-five, who must be very sexy." To quote Mr. Cohn further, Columbia "is going to make this one picture. What we are going to do after that is problematic. It all depends on our first picture. If it goes well in both countries (meaning the United States as well) we shall produce here. But Columbia will not make quota pictures." By this last sentence Mr. Cohn means that although his British films, if they materialise, will presumably conform with the legal definition of a British quota picture, they will not come within the rubbish class—"quickies," as Harry Warner once called them.

From some really inspired publicity I learn that a film made in 1913 dealing with the white slave traffic showed Mr. Cohn and his brother Jack, "who never had been appreciated adequately before, the tremendous box office value of sex." Isn't life wonderful? DAVID OCKHAM.

## The "Death" of "The New Age."

Notice which appeared in *The Times* of July 15, 1933 ("Personal" column on page 1).

THE NEW AGE.—In a passage in the Literature Section of the *Annual Register* for 1932 the impression is conveyed that THE NEW AGE no longer appears. It has been pointed out to the Editor of the *Annual Register* that the paper has never ceased publication. The Editor of the *Annual Register* very much regrets the error and takes this opportunity of correcting it.

Notice as it was agreed should appear in correspondence between the Editor of *The New Age* and the Editor of *The Annual Register*.

THE NEW AGE.—In a passage in the Literature Section of the *Annual Register* for 1932 the impression is conveyed that THE NEW AGE no longer appears. It has been pointed out to the Editor of the *Annual Register* that the paper has never ceased publication. The Editor of the *Annual Register* very much regrets the error and takes this opportunity of correcting it.

## The Boom in Employment.

The newspapers are celebrating the recent reduction in the figures of unemployment as a measure of returning prosperity. Well, so it is for the re-employed. When John Smith drops his dole of forty shillings and picks up a wage of sixty shillings, his wife can give the eight children a pinch or two extra of calories and vitamins—and good luck to them all. But for the rest of the community the immediate effect is that they save 40s. and lose 60s. There is an extra charge against them of 20s. John's work does nothing to increase stocks in the consumption market, but John brings an extra 20s. there to compete in the purchasing of the stocks. So the effect of his re-employment will be either to raise prices or to arrest their fall. Re-employment is Reflation. J. G.

### "SHEEP SLAUGHTERED."

"A Chile correspondent of Reuter states that the restrictions imposed by Great Britain after the Ottawa Agreement on the importation of foreign meat have forced Chilean ranchers to slaughter 225,000 sheep. The only marketable product obtained from this wholesale slaughter was tallow. Usually nearly all the sheep raised in this region are exported to England."—*Observer*, July 9.

### NAPOLEON ON FINANCIERS.

A new U.S. novel of an adventurer of the last century, *Anthony Adverse*, by Hervey Allen (Farrar and Rinehart) quotes Napoleon on bankers as follows:—"In another hundred years, if I do not stop them, they will own Europe—the world. Financiers cannot act. They never do anything. They are passive, they spin webs; and every wind, blow peace, blow war, brings them flies. They are not the fit repositories for power."

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## The Social Credit Movement.

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

The Douglas Social Credit Proposals would remedy this defect by increasing the purchasing power in the hands of the community to an amount sufficient to provide effective demand for the whole product of industry. This, of course, cannot be done by the orthodox method of creating new money, prevalent during the war, which necessarily gives rise to the "vicious spiral" of increased currency, higher prices, higher wages, higher costs, still higher prices, and so on. The essentials of the scheme are the simultaneous creation of new money and the regulation of the price of consumers' goods at their real cost of production (as distinct from their apparent financial cost under the present system). The technique for effecting this is fully described in Major Douglas's books.

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