

THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

No. 2151] NEW SERIES Vol. LIV. No. 5. THURSDAY, NOVEMBER 30, 1933. [Registered at the G.P.O. as a Newspaper.] SEVENPENCE

CONTENTS.

	PAGE		PAGE
NOTES OF THE WEEK	49	IRISH NOTES. By R. H.	56
Cooking Justice. The crisis in the United States— Dr. Sprague's resignation. Do tax-dodgers rob their neighbours? Mr. Bevin's libel-damages against the <i>Daily Worker</i> —trade-union leaders and wage-settlements. Japan and cotton—Britain loses export leadership—the cause of Japan's suc- cess not low wages but suspended overheads. The Church and Social Credit—Mr. Gould's protest in the <i>Literary Guide</i> .		" MUTE OPINION." (Verse by Thomas Hardy)	56
" A + B " CRITICISMS. (Editorial)	53	THE FILMS. By David Ockham	57
THE AUDITING OF BANK ACCOUNTS. (Editorial)	54	<i>Dinner at Eight. Bitter Sweet. A Bedtime Story. Peg o' My Heart.</i>	
FUNGI SPRING FROM ROTTEN WOOD. By S. R.	54	MUSIC. By Clinton Gray-Fisk	57
THE CONTROL OF PRICES. By Hilderic Cousens	55	<i>The Blue Boar</i> (Roger Quilter's new light opera). Tertis and Solomon. York Bowen and Ernest Tomlinson. Segovia.	
<i>The Control of Prices</i> (Augustus Baker).		REVIEWS	58
		<i>Nietzsche</i> (Abraham). <i>Imagination and Religion</i> (Canon Dewar). <i>Ashe of Rings. Tinker's Wind.</i> <i>This Bright Summer. The House that Was.</i>	
		CORRESPONDENCE	59
		A. W. Coleman, R. S. J. Rands, S. R.	

NOTES OF THE WEEK.

Cooking Justice.

A correspondent in New Zealand has asked what procedure the bankers follow in order to procure favourable judgments from the Courts on issues to which they are interested parties.

* * *

The general answer is that the bankers never appear as avowedly interested parties, even when they appear at all—which is very rarely. Their rôle is usually that of disinterested, authoritative experts whose evidence the judges think it quite proper to admit in Court, and whose information and advice they seek or accept in all good faith out of Court. In the action: *Leon Franklin v. the Westminster Bank*, at one juncture, the judge, referring to a statement made by Mr. Franklin, remarked to the Bank's counsel, "of course you can answer that." Again, in regard to the action: *the Bank of Portugal v. Waterlow and Sons*, when the Lords were preparing their reserved judgments on the final Appeal, it was stated in the Press that they would probably consult expert advisers on "questions of fact." In other words, they would consult bankers. And why not? The bankers consulted (if they were) would have no personal interest in the judgment, and therefore the judges could properly rely on their specialised knowledge to clear up any doubts on the technical points involved in the action. Yet the bankers' ramp is in the technique.

* * *

Again, whether actions are being heard or not, consultations are continually taking place, in the sense that every private social or business contact which a judge makes outside his profession is an occasion for his acquiring knowledge. Judges don't go to bed directly the Courts rise. They are club-men and sportsmen like other fallible human creatures. Now, in every important club in London (and in the Dominions, too, without doubt) the Money Monopoly has planted "cells" (as the Communists would say) in the persons of bankers or agents in the service (probably voluntary) of its intelligence department. They are not "twisters," but conscientious believers in the axioms and rules which govern financial policy and practice; and they are there

to listen in to Club Opinion on the one hand and to assist in its formation on the other. In this way the financial falsities exposed by Major Douglas can be insidiously perpetuated in the minds of clubmen generally, judges included. What defence can any judge put up on such occasions of mental relaxation and receptiveness? None at all unless, by some chance, he has heard of the Social-Credit challenge to the axioms of finance, and takes it seriously. And on this point we may mention that we know of an authentic incident in a particular Club a year or two ago when a member was given the tip that "Douglas" was "a dangerous man." Very well; you have only to imagine some cultured gentleman in the banking profession whispering this tip into the ear of Lord Justice Mugwump, and you may be sure that his Lordship will accept it as a reliable piece of information, and pigeon-hole it for his guidance on an appropriate occasion. No doubt his Lordship would also be enlightened by his companion with an account of what the Social Credit "heresy" was, and what it implied. The Club, then, is one place where Justice exposes its heel of Achilles. There are other places as well—notably the golf-course, and game and fishing preserves—places where confidences can be exchanged in seclusion. If you look through *Who's Who* and examine the hobbies of the more sinister controllers and agents of High Finance you will constantly come across "golf," or "shooting," or "fishing" as the recreations of these gentlemen. Some of the best-known of them are to be seen occasionally out on the Ranelagh course; but not playing—the caddies are doing that, while their patrons stroll along after them at a discreetly remote distance, talking, talking. A No. 9 or No. 33 bus will take you past the place any time you want to chance a peep—but get up on top to see over the fence. It may be interesting to say, incidentally, that the Ranelagh Club is unique in the fact that no Press representatives—reporters, photographers, or others—are ever to be seen entering the gate or waiting about outside. There is an unwritten agreement that all the notabilities who use the Club are incognito. They embark on it and disembark from it just like Mr. Montagu Norman used to get on and off a boat when on his missions. At Ranelagh all names are Skinner and all faces are Chinese. The most audacious camera-man alive would no more

dare "shoot" a personage there than that personage would shoot a sitting pheasant. It is a close season for all publicity.

But apart from Club-contacts and that sort of thing, it must be remembered that judges were once boys and went to school. Now Tom Brown's schooldays play a more important part than Lord Justice Brown's holidays; for Tom's propensities and conduct at the public school and at the University decide whether he shall ever be a judge. He is allowed a generous assortment of wild oats to sow, and a wide latitude of opinions to hold; but there are some things which are "not spoken" just as there are things which are "not done." The career of a boy destined for a high calling is watched and registered with the same particularity as if he were a lump of iron ore being processed through industry under the costing-system. His character is posted up in a Ledger of Patronage kept by an obscure group sometimes referred to as the Right People. Who they are nobody can say exactly, but the power they exert is none the less respected by everyone who hopes to get a visa for his passport to fame.

This, together with the standardised design of the educational system, modelled to restrain exuberance of intellectual curiosity in directions embarrassing to the Money Monopoly, is sufficient to ensure an ingrained belief in the doctrines of "sound" finance, and an unquestioned acceptance of the prescripts of "sound" financiers.

Under a monetary economy constitutional law must proceed logically from financial law; and the axioms which are the foundation of financial law will govern the framing and interpretation of constitutional law. If they are not axioms at all, but, as we hold, false premises, constitutional judgments will be false: and if there is bias inherent in those premises there will be bias in the judgments. The bias will be mechanical, not moral; and in fact the more severely impartial and logical the mind of a judge, or a lawyer, or a governor (who combines something of both functions) the more closely will his conclusions coincide with the policy of Finance and lend themselves to the implementation of that policy. The very honesty of his technique of adjudication will contribute to the perversion of his judgment. And so it comes about that any word said, or act done, which constitutes or implies a challenge to the bankers' axioms is bound to be interpreted as a breach of constitutional law; and the more conscientious the adjudicator the more quickly will he arrive at that conclusion. When Sir Philip Game dismissed Mr. Lang from office there is not a doubt that either he, or the advisers whom he consulted, would have been able to put forward an unassailable piece of reasoning in support of the action—unassailable, of course, by anyone who was not prepared to trace the judgment back to its tainted financial source. As it was, he did not need to in this particular case, because the Commonwealth Government had got ahead of Mr. Lang by rushing through legislation de-legislating what he was proposing to do; so Sir Philip Game only had to appeal to that legislation as his justification. The bankers' Loan Council had become the keeper of his political conscience as well as the arbiter of Australian constitutionalism.

The position of the judges is summed up in the familiar phrase: "We are not here to amend the law, but to administer it as we find it." Since the law as they find it is the law as the bankers have made it, the effect of the administration is a foregone conclusion. Mr. Justice McCardie lost his life through trying to reconcile this narrow conception of a judge's duty with the requirements of justice; and whatever view may be held as to the importance of the issues which constituted his problem, there is no doubt that on certain issues which have been developing recently judges will

have to revise their complacent acceptance of juridical automaticity. It is one thing for them to say: "Here is the law which we must administer, and we will administer it," but quite another for them to have to say: "Here is a particular law depriving us of the right to administer other laws." For if they do not resist that law they are in the position of "administering the law" under conditions which involve their ceasing to administer some parts of the law. All laws interlock; and unless judges are responsible for the administration of all of them they cease to be efficient administrators of any of them.

The Crisis in the United States.

Two items of news published on November 22 call for attention. One was the resignation of Dr. O. M. Sprague of his position of adviser to the United States Treasury; the other was the British Government's assumption of control over the finance of Newfoundland. These two events manifestly register the policy of the Bank of England. The first also signifies a formal alliance between this Bank and the Federal Reserve group, and a joint ultimatum to President Roosevelt, provoked by his dismissal of Mr. Woodin and Mr. Dean Acheson, the Secretary and Under-Secretary of the Treasury, and his appointment of Mr. Henry Morgenthau as Acting Secretary. The ultimatum was implicitly foreshadowed in a remark by *The Times* on November 17 to the effect that Mr. Morgenthau was a believer in the "commodity-dollar" theory advocated so strenuously by Professor Warren, and that henceforth these two gentlemen would be the "keepers of Mr. Roosevelt's monetary conscience." The new development in Newfoundland, too, has its place in this military picture. It corresponds, on the financial plane, to the Germans' occupation of Belgium in 1914. The bankers leave nothing to chance, and they have occupied Newfoundland to forestall Mr. Roosevelt's "occupation" of it or "alliance" with it, in the sense that the Government of Newfoundland (now to be superseded) might have declared for the "commodity-dollar," and even taken steps to implement the theory in that country after the example of Mr. Roosevelt in the United States. Newfoundland would not count for much in the ordinary way, but could count vitally in an extreme emergency, particularly if Canada were to waver on this monetary issue. In this Dominion, it is true, the bankers are well forward with their plans for instituting a Central Bank, but coming events may very well stimulate a strong internal agitation against their policy. The bankers' obvious strategy is to draw a *cordon sanitaire* of "sound" finance around the infectious area presided over by the Roosevelt Administration. Not even Ireland is being left out of account—as witness the sudden and unexpected renewal of the attack by Mr. Thomas on Mr. de Valera's financial policy which we noted last week.

Until Mr. Roosevelt can be reduced to impotence we may expect to see in all other countries likely to sympathise with his policy a steady and progressive usurpation of constitutional rights (such as are left) by the Money Power—the demolition of Parliaments to make room for the bankers' artillery. It is an impressive picture—the bankers' Big Berthas pumping shells into Washington from Britain, Ireland, Canada, Newfoundland, and other suitable emplacements; and if their power to do this successfully depended only on the assent and co-operation of the Ministerial gangsters who "represent" the peoples concerned, their triumph would be a foregone conclusion. But there are such things as the recoil of a gun, the bursting of a gun, the ranging out of the breach, not to speak of accidents by explosions, finding and vibratory disturbances caused by explosions, all of which phenomena symbolise the fact that in finance-economic warfare whatever you do to hurt the enemy hurts yourself hardly less. An illustration of the sort of thing we mean is provided by the conjoining of

two spectacles, the first being that of Mr. MacDonald, in the 1931 election, waving a £1 note in the faces of audiences, and declaring that if they didn't back the National Government the aforesaid note wouldn't be worth "two-pence" and we should be "ruined"; and the second, the spectacle of economic professors and financial experts to-day prophesying the same ruin because the £1 note is worth twenty-two shillings across the Atlantic and looks like going higher. Thus, while the Sterling Big Bertha is bombarding Roosevelt into stopping his pound-raising policy it is likely to go off at the wrong end at any moment and perforate us all with "penny pounds." No expert can give an assurance that by arresting a ruinous policy in one direction they will not, by the same act, precipitate a ruinous policy in another.

Mr. Rainey, Speaker of the House of Representatives, replying to Dr. Sprague's indictment of the official policy, said:

"We are experimenting, and the experiments will continue. Personally I would not be surprised to see the price of gold reach 41.34 dollars, twice the coinage value of a gold ounce. We are beginning to understand that goods, not gold, are the real values. Of course, we are legislating for the debtor classes."—(*Daily Mail*, November 22. Our italics.)

That is the beginning of wisdom, but action based on such a beginning is likely to produce negative results. It is difficult to tell from this short statement what Mr. Rainey means, but his reference to "debtor classes" is open to the construction that these are to be relieved at the expense of the creditor classes. If so we suggest that possibly the idea behind his declaration that the "real values" are goods needs to go deeper and to embrace the Social-Credit definition of *real credit*, that is, the potential powers of production latent in the resources, organisation and equipment of the United States coupled with the powers of consumption similarly latent in the persons of the population. An estimate of these potentialities will disprove the supposed necessity for excluding any classes of the community from the benefits of economic co-operation. Goods and services are in themselves "real values," but to recognise that is not relevant to the problem of how to distribute them. That problem involves the measurement of the "real values" in terms of prices, and an equivalent provision of personal incomes to buy them. Experiments so far have been confined chiefly to the purpose of lifting the prices of goods now on or just behind the market—using money to give adequate financial values to existent "real" values, that is, to make it worth while for producers to maintain supplies at somewhere about their present volume if possible, or, if not possible, to reduce the volume to a point where the price becomes remunerative. Unfortunately this "legislation for the debtor classes" is legislation against the consuming classes, that is against the whole community. It is politically unwise in any case, and particularly so because the purpose of it is doomed to failure on technical grounds. It is impossible to maintain production inside industry unattended to coincide with its appearance on the consumption-market. This coincidence cannot be brought about by financing production alone. Production even on the lowest conceivable scale under these conditions will turn out to be "over-production." Goods will still remain undistributed. In other words "real values" will remain sense as gold is now recognised to be. Some of the financial values of the rest, as was to be seen in the cases of the burning of cotton and coffee not long ago—by supposing a gang of hungry breadliners being rewarded with the "real value" of a bun for destroying such things is that under the present principles of finance industry has to perform two irreconcilable tasks,

it has to be the sole paymaster of the population, and it has to account and collect costs conformably with the requirements of the bankers as to conditions of loan-repayments. It is between the devil and the deep sea. If it were to distribute incomes (wages, salaries, dividends and other payments to persons) sufficient in amount to meet its costs it would have to default on its loan-repayments to the banks. On the other hand, since it is compelled not to default it has to give up to the banks money which ought to be distributed as incomes. The result is that it cannot recover its full costs from the consumption market where private incomes are spent. The psychological consequence is that industry constantly seeks to collect all the money it can for as few goods as possible—cutting costs or raising prices, or both, in an attempt to achieve the impossibility of arriving at a mean point where its solvency can be stabilised.

The whole body of literature issued by the technocrats establishes the presumption that incomes derived solely from industry must lag behind the prices which industry has to charge. For, as their examples show, if one man working with some machine or other can produce enough goods to keep ten men, then either he should receive wages equivalent to the keep of ten men or else nine-tenths of the production will not be sold. Machines don't go shopping! "Ah, but how about the men who make the machines?" someone may remark. Well, that is a good reply if it can be shown that for every man working with a machine there are nine others making a similar machine to replace it. But if it continually costs industry nine men's keep to enable the tenth man to produce ten men's keep, what's the object of having a machine at all? The ten men might just as well provide their own keep by the old methods.

American industry, like all other modernised labour-saving industries, is short of shoppers—hence the remarkable phenomenon of a country with almost unlimited resources facing the apparent impossibility of supplying her own people with a meal unless foreigners come and eat as well. Can there be any other explanation than a shortage of shopping-money inside? And, granted the shortage, is there room for doubt that it arises out of the relations between industry and the Money Monopoly?

The Industrial Recovery Administration being in charge of a self-sufficing economic area, and therefore of a credit-area that could (if necessary) be closed to the rest of the world, can afford to apply the true fundamental principle of finance with impunity. That principle is that the ultimate backing of the dollar is the willingness of American citizens to turn their real credit to account. Or, seeing that the "sound-money" critics of the Administration are insisting that the credit of the country depends on "confidence," we can put it that the value of the dollar rests upon the confidence of the American people in their ability to speed up their production-system, and certainly to make good use of the products. The researches of the technocrats are alone sufficient to place that confidence on an unchallengeable basis of realistic evidence.

Now the beneficial ownership of the dollar belongs to those who are prepared and able to create the real wealth-values which the dollar represents. The right to create dollars and to control the conditions of their use inheres in the citizens of the United States. That right has been usurped by the bankers, that is, by a tiny section of citizens, if indeed they can be regarded as citizens at all. Now the practical import of this is vital. It arises in this way. The common denominator of citizenship is the function of consuming. No matter how people earn their incomes, or how their interests clash in the process, they all have one and the same interest when it comes to spending their money; and that is to make it go as far as possible in the shops. So we have a single and indivisible class; and since their

unity centres in consumption their fundamental right to control credit-policy should be delegated to a body which represents them in respect of that function. Let us call it the "National Consumers' Finance Corporation," and contrast it with the Federal Reserve Board.

Now we come to the vital point of difference as regards conditions of financing. The Corporation would exercise the power of creating and issuing credit under the obligation of remembering that the ownership of this credit was public, and that the conditions attached to its use should be governed by the same principle as would be followed by any single consumer supposing that he had the power of creating and lending his share of this public credit (whatever amount it might be) to industry. Let us consider what such a citizen would be likely to do if he were to have this power. Let us suppose that his share was \$100, and that he got some notes printed for that amount. (The cost of printing would be negligible.) He would now be ready to lend this to a storekeeper (representing industry in general). He would say: "Now I lend you this on condition that you use it to make goods for me as well and quickly as you can; and when you have got them finished I will accept them in discharge of my loan." In so saying he would be insisting on the very principle which the orthodox banker would reject—the principle that industry shall discharge debt in terms of goods. And this reveals the abyss between the financial policy which bankers carry out and that which the community would desire to see carried out.

Now the hypothetical Corporation could apply the right principle on behalf of the public, though not necessarily in the simplified form illustrated. If so it would be guaranteeing industry orders of a financial value equal to the amount of the loan; and it would be allowing industry the use of the money for as long a time as was required to fulfil the orders. We are not attempting to indicate methods here; we are simply pointing out what a vital change for the better is in prospect when the function of financing production is exercised for and on behalf of the ultimate buyers of the products. Money is a costless symbol of a people's confidence in their powers of achievement, and its acceptability is founded on the assumption that when in circulation it is energising that achievement.

Defrauding the Revenue.

A judge, sentencing someone for income-tax dodging last week, trotted out the familiar notion that to do the Revenue is to do your neighbour. This is one of those lying half-truths which get by just because they could be true. The circumstances in which they would necessarily be true do not exist, and have not existed for many years. The parties "injured" by tax-dodging are the banks, and the "injury" is that of obliging the banks to make good the deficit by lending the Government more credit or by allowing the Government to reduce sinking-fund allocations earmarked for repayments of the banks' previous loans. All bank-loans are new credits which cost nothing to create, and which cost the banks nothing to leave outstanding. Supposing every taxpayer were able to withhold taxes the result would be the existence in circulation of some hundreds of millions more pounds. That is to say, if every taxpayer "robbed his neighbours" the whole lot of them would be collectively better off, and the banks no worse off. This would be the character of the immediate "injury." But they would soon lose the money through the inflation of prices. If this inflation were a necessary consequence of tax-default a case could be made to prove "injury." But there are technical ways of preventing an expansion of credit from causing inflation. Hence the "injury" of the inflation would be due to the banks' neglect to employ the means of prevention.

So, coming back to the case of a single defaulter, what happens is not that he robs his neighbours but

that the banks fine them because they (the banks) have missed collecting his due contribution towards the repayment of their loans. It is the banks who do the robbing in the last resort. The position is exactly as if Bill Sikes gave his dog a thrashing whenever somebody upset him, and as if, whenever that happened, the person who offended Bill were held guilty of ill-treating the dog.

Taxation is not confined to Somerset House; it is levied in all prices of goods and securities. Every investor who has lost his money has virtually paid it as a tax; and the reason why the thousands of millions lost since the first Companies Act was passed have not figured in the Revenue Account is because the banks have taken and cancelled them in the form of debt-payments. Taxation is all-pervasive, and the total amount recovered is adjusted so as to exhaust the paying-capacity of the citizen. The people's command of money in their own right is kept at the minimum because the control of money is the control of policy, and the bankers have got the control and mean to keep it.

The Transport Union's Libel Action.

The *Daily Worker* was ordered last week to pay £7,000 damages to Mr. Bevin in respect of a libel on him which, according to a summary in *The Times* of November 23, consisted in charging him with letting the transport workers down in his negotiations with the companies. We do not question the justice of the verdict as the law stands at present, although we should be interested to hear on what principle the damages were quantified. But the implications of the verdict should be carefully considered. It is a notorious fact that the policy of trade-union leaders and executives is to avoid strikes if at all possible, and since this avoidance is not possible without making concessions to employers, the negotiations usually end in settlements which can be fairly described as "letting the men down." And this would be literally true if the employers, knowing that the trade-union leaders ruled out direct action, demanded a wage-reduction larger than they intended to impose, and thereby got all they wanted while appearing to get less.

Japan and Cotton.

For the first time Japan has beaten Britain's export figures for cotton textiles. (See the *Observer* of November 26.) The excuse is made that in Japan wages-rates are anything from one-quarter to one-fifth of those prevalent in Britain. But this does not account for Japan's success in the Indian market against the competition of home enterprises using native labour. What does the Indian worker get? The report is silent on this. Again, to quote actual amounts and comparisons of wage rates tells nothing unless the ratio of wages-costs to total costs under mass-production methods are also stated. For example, take the hypothetical case where in one country wages are 20s. and other costs 200s., and in another are 5s. and 200s. as against paying the higher wages has to charge 220s. a handicap of only the other country's charge of 205s., a handicap of only say, 2½ per cent. Apply this to the present case. The British manufacturer might say that a 2½ per cent. margin is sufficient to capture his market. And he might be able to show that Japanese prices only under-cut his by that margin. But that would not prove what price the Japanese were able to charge; and it would only prove what they decided to charge, and they would certainly not charge less than was sufficient to take the order from the British cotton shirt has come body complains that a Japanese cotton shirt has come into this country at a price which enables the shop-keeper to sell it at 6½d. What the British price for a similar shirt is not stated, but we suspect that it would reveal a disparity which differences in wages-rates could not account for. But even if they could account for it, how are we to know that the Japanese

"A + B" Criticisms.

We received from a correspondent, the other day, a document consisting of several quarto folios of typescript devoted to the "exposure" of the "fallacy" of the A + B Theorem. It had been handed to our correspondent by the author, who had been attending a Social-Credit study-group, with the suggestion that it should be examined and, in turn, criticised by authoritative exponents of the Theorem. Probably, behind the suggestion, there was an idea that a reply should be published, either in *THE NEW AGE* or otherwise.

The document is a careful and sincere piece of work, and we welcome it as a sign that the author has been trying to study the problem systematically and seriously. It is students of this type who reinforce the strength of the Movement. On the other hand it is impossible for criticisms like this to be answered categorically within existing limits of time for composition and space for publication. A glance at our correspondence columns during the last few weeks will show what a lot of space can be occupied in elucidating only one point of criticism; and it is easy to see that a controversy on all the points of a comprehensive criticism could easily take up many pages of *THE NEW AGE* week by week. We say "week by week" because, invariably, any initial reply, however carefully and fully made, is considered unsound or incomplete by the original critic, and by other students who are listening in, with the consequence that the debate, if continued at all, would widen and endure interminably.

There used to be a phrase current in the Movement: "Douglas without tears," which, as old students will agree, really meant: "Douglas without effort." That is to say, it referred to a demand on the part of sympathisers with the Social-Credit objective that the technical analysis should be explained to the people in the same simple terms as those to which they were accustomed in respect of other economic theories and proposals in the daily Press. It couldn't be done then, and cannot to-day. All that can be done is to help serious and persistent students to complete their own education in their several ways. And since these "several ways" are as numerous as the many types of intellect (not to speak of psychology) coming into contact with the problem, the assistance provided must be of an all-round character. It must emphasise fundamental principles. It should be remembered that the pioneer students of Social Credit had no other assistance than that provided in Douglas's first work, *Economic Democracy*. They were obliged to teach themselves all the way under the general prompting and guidance of that book. It is open to doubt whether the mass of literature which has since been issued with the object of simplifying the subject will turn out to have been an unalloyed blessing—whether its authors have been altogether wise in undervaluing the quality of slow conviction, and overvaluing the quantity of quick conversion. However, there is no use in discussing the matter; and it must be recognised that pamphlets and booklets have served a useful purpose in attracting attention to the subject and in stimulating people to undertake its serious study. So, too, in the case of published answers to criticisms, in that, though generally ineffective in the sense already explained, they do contain facts and arguments which put some reader or other on the right track in his own study.

The practical conclusion from this is that the physical impossibility of dealing minutely with every criticism as and when it turns up does not matter. The essential, and also feasible, thing is to survey them comprehensively, to note the major points where they coincide, and to concentrate on the issues which these raise. In principle they can be resolved into very few categories—and in the last analysis even into one.

couldn't sell the shirt to retail at 2d.? We advise the aggrieved manufacturers in Lancashire to stop fidgeting about wages and to look into overhead charges. According to hints we have heard there is a financial operation behind Japanese competition which has the effect of releasing the manufacturer from the obligation to include capital charges in export-prices in case of necessity. The Government and the banks tell him to get the order at the best price he can; and if that price, less wages and his own profit, won't cover all the capital charges, well, he may pay what he can, and the rest will be excused or suspended. That's the stuff to make Lancashire's mouth water! It can be done, too—and without anybody losing any money over it. And we ought to know, because the tip how to do it has been repeated in this journal innumerable times during the last fourteen years. The Japs appear to have taken it and to be engaging in a tentative Social-Credit experiment. And if they go the whole hog, watch out! We shall have penny shirts.

"Christianising" Social Credit.

Mr. F. J. Gould contributes a long trenchant article to the *Literary Guide* for December (published last week). It is a protest against the attempt, as he sees it, of the Church to run Social Credit as a sort of ecclesiastical side-line, with the object, as he alleges, of arresting her decline by catching on a cause of "good augury." He holds that the Social Credit theorem is too deep, and its implications too wide, to be vested in the stewardship of any religious organisation; and asks what will be the effect on adherents of Buddhism, Confucianism, and other great religious or philosophical systems if Social Credit is pushed at them as a Christian proprietary article. Mr. Gould writes as a rationalist in a rationalist organ, and accordingly uses terms and analogies which we prefer to leave the curious to consult in the original version.

"The Church and Social Credit."

"The Rev. Robert Scrutton, of St. Peter's Vicarage, Coventry, England, advises that the Prosperity Campaign organised by the English Social Credit Association is making great headway. He writes:—

"To date, 305 religious bodies of almost all denominations, Christian leaders, and the Social Credit groups throughout the country are ready to challenge the present system and demand the establishment of a Christian Order Campaign based on the Douglas Proposals. When the bers of the bishops who are at the moment sitting on the fence, will join in and encourage others to do the same."—*New Era*, September, 1933.

Why Elect Parliament?

Addressing a gathering of members of the Southern Fruit-growers' Association at Box Hill, Victoria, recently, Mr. R. G. Menzies, Attorney-General, said:—

"Five years ago Victoria entered into the financial agreement with the Commonwealth and the other States, with the result that the financial policy of the State is controlled by the Loan Council. Money cannot be borrowed without the permission of that Council, which is the governing body of Australia to-day; a State Treasurer, whether he be C.P., L.P., or U.A.P., was told by that Council what the deficit was to be, and if the amount was exceeded Government cheques would be dishonoured. Therefore, whatever the Government would like to do, the first brick wall it encountered was this fixation of the deficit by the Loan Council."—Quoted from *The New Economics*, September 1, 1933.

JAPAN'S "HUMAN TORPEDO."

"Recruiting will start in Japan in the New Year for men prepared to act as 'human torpedoes' in naval engagements—men for whom death will be a certainty. If men can be found who are sufficiently daring to go to certain and terrible death, the new weapons can be launched from a warship with the helmsman already inside. Once in the water, he can steer the torpedo—and himself—against the enemy ship. If his hand is steady on the wheel he cannot miss his mark.

"Contact with the ship means his certain death—and death, too, for the enemy."—*Daily Herald*, October 12, 1933.

The Auditing of Bank Accounts.

A correspondent asks what was meant by the statement sometimes made in THE NEW AGE that "bankers are their own auditors." This is his paraphrase of some passage or other in this journal which he cannot locate, and which we cannot trace for the moment. However, the proposition is quite true in a fundamental sense.

The principles and methods of auditing are derivative from those of accountancy in general, and these in turn are derivative from the axioms governing the policy and methods of the bankers. It therefore follows that the strict application of established rules of auditing simply amounts to the ascertainment of whether the bankers prepare their accounts in accordance with their own rules.

It is important not to consider the proposition too literally. For example, it would not be true, and it might be actionable, to say of any particular firm of auditors that it was governed in its procedure by the directorate of a bank which used its services. It cannot be said that such a firm would use different methods on a banking audit than it would on any other audit; and again, in point of fact, a bank's accounts are likely to be prepared for audit in such a way as to leave practically no opening for criticism on the part of a perfectly independent firm of auditors.

What is antecedently probable (though, of course, it can never be demonstrated) is that records of major transactions entered into by the banks (i.e., the whole region of banking which concerns secret high financial policy) lie outside the orbit of the auditors' examination and verification. Take, for instance, the valuation of bankers' securities. It would be interesting to know how far the auditors are allowed to check the particulars of a bank's holdings and the ratio of their values in the bank's balance sheet to their current market values at any given time. Again, supposing that all this information were laid out before the auditors; it would be a puzzle for them to know how to frame an alternative valuation of their own against that propounded by the directorate. If the assumption is made that the proper valuation of a security is an estimate of the price it would fetch in a forced sale, then the higher the magnitude of security values the less the recoverable values. This was seen in the American bank smash, where the bankers pleaded through Mr. Roosevelt that all their securities were of the very highest class, but that the impatient depositors would not leave them time to liquidate them in the slow and leisurely manner necessary to prevent market panic and a slump in price. An episode in the Kysant case links up with this matter, viz., where the Counsel for the Crown emphasised the fact that he was not laying down the principle that the allocation of earned profits to secret reserves funds was illegal. It will be clear that when secret reserves funds are accumulated the secrecy requires that assets must be under-valued. So on this ground alone auditors could legally certify accounts as properly prepared which had been adjusted in this manner, irrespective of how much the assets might be worth in a forced sale or any sale at all.

Leaving banking alone, and considering any firm dealing with an immense number of accounts and handling huge sums of money, it is physically impossible for any firm of auditors to verify during the few weeks occupied by their investigations all the details of the innumerable transactions which have taken place during the financial year. They must perforce deal with collated and tabled statistics. This means that in a sense these firms are their own auditors up to a certain point, and that what is formally called an audit is really the putting of finishing touches to an almost completed audit. In that sense it is easy to see that the proposition that bankers are their own auditors is demonstrable in the sense that it is a logical deduction from agreed facts.

Fungi Spring from Rotten Wood.

The confusion of ideas amongst the educated middle-classes is beyond belief. It is a City of Frightful Nonsense! Here we find every kind of ju-ju, every kind of magical and mystical claptrap: astrology, faith-healing, thought-force, yogi-ism, super-consciousness, "guidance," "sharing," numerology, all mixed up with food reform, nudism, dress reform, Esperanto, world peace, nature cure, eurhythmics, spiritualism, herbalism. Youth movements, Aryanism, folk-rhythms, and every variation of idealistic uplift and semi-occult doctrine, all soaked in psychological and psychoanalytical jargon.

All this represents nothing but the break-down of standards. It is the usual symptom of social-economic collapse.

The astonishing growth of supernatural beliefs amongst supposedly educated people is an indication of the mental disorder that has already overtaken these classes. Because of this they are already politically defeated. Their minds are a revolving madhouse of ideas in utter confusion. They have fallen back upon magic. This decay is widespread and reaches into what were once looked upon as the "upper classes." It will destroy them.

Sir J. G. Frazer in *The Golden Bough* writes:—

"When we survey the existing races of mankind from Greenland to Tierra del Fuego, or from Scotland to Singapore . . . we shall find underlying them all a solid stratum of intellectual agreement among the dull, the weak, the ignorant, and the superstitious, who constitute, unfortunately, the vast majority of mankind. . . . It is beneath our feet—and not very far beneath them—here in Europe at the present day. . . . This universal faith, this truly catholic creed, is a belief in the efficacy of magic.

" . . . The dispassionate observer, whose studies have led him to plumb its depths, can hardly regard it otherwise than as a standing menace to civilisation. We seem to move on a thin crust that may at any moment be rent by the subterranean forces slumbering below."

He was not referring to the "refined" forms of magic that blend almost imperceptibly into vague forms of religion. He was referring to the outbreak of crude magical belief and practice in our modern world.

It could easily be shown, however, that the crude tea-cup fortune-telling of a servant girl is far less harmful to the intellect than the "refined" mental confusion of her mistress dabbling in the dew of mystic teachings.

The illiterate "monk" Rasputin destroyed whatever there was of sound intellect in the Romanoffs and their intimate court circle.

Rasputinism is the same everywhere, as Sir J. G. Frazer is at pains to show. It is shamanism, witch-doctoring, and the cult of the medicine-man. It can be "refined" into almost a nothing, a vague notion, a "high idealism." No matter, it is a weak dose of magic.

As the social-economic system breaks up in confusion, so the educated (?) rush in panic for a pinch of "dope." This is one of the well-known foretokens of social upheaval. And as conditions become more painful, more uncomfortable, more dangerous and desperate, the middle-"educated"-classes take stronger and stronger doses of mysticism, until at last they send themselves into hysterics and cling to the crudest (i.e., strongest) magic they can get. Rawson's Prayer Shop which flourished for a time in London before, and especially during, the war of 1914-18, is an example of what happened. It was the crudest of crude magic. Rawson's clientele were practically all from the "upper" and "middle" classes: all people who were supposed to be educated.

It is true that the masses are liable to infection.

was told on good authority that, during the economic depression of 1931-32, the mill girls of some of the Lancashire cotton towns took to "spiritualism" as a kind of relief from poverty-stricken conditions. I should be very much surprised to find that they took to it of their own accord. It is far more likely that "spiritualism" was taken to them by enthusiasts from the educated (sic) classes.

In general the wage-earning masses and the unemployed of our industrial centres are free from any serious mystical blight. It is significant that no widespread fanatical Religious Revival has flared up amongst them during these years of economic depression. Not even in Wales.

On the contrary, the masses listen with growing interest to Social Credit speakers. They are eager to hear the common sense of Social Credit that deals with first things first. Their questions are usually direct and to the point. No mental fumbling and floundering.

On the other hand, the moment the idea of Social Credit reaches the "educated" middles, they begin at once to confuse it. Couldn't it be hitched on to some pet mystical cult? Couldn't it be drenched in religious ideas before it is given out to the public? Isn't it really only another way of saying something that is revealed in the teaching of some pet holy man? And then—and pretty soon, too—they seem to "smell a rat." It's a Something-for-Nothing scheme, and that is immoral even if it is workable. "What would the people do with their leisure? We must Educate for Leisure first—before they get any! After all, Money isn't everything . . . you can't reduce everything to Economics. Money cannot buy any of the Worth-While Things of Life—Happiness, a Lofty Ideal to work for. . . . I believe the only thing is a Change of Heart, and that can only come through a Real Spiritual Experience. . . . Yes, well, in spite of everything, there may be something in Simple Religious Conversion. There's an awfully interesting group called the Inner Circle of Light—no, no, it's quite logical and sensible—nothing vague or mystical—but they seek Light, more Light—do come! They'd love to hear all about Social Credit because it all comes into what they're after—economics is all a manifestation of the Great Light. . . ."

No, no, they're hopeless. Their minds are rotten through and through—like a "sleepy" pear. Rotten in thought—rotten in action.

We must pick the few sound ones we can find, and go straight to the masses. S. R.

The Control of Prices.*

By Hilderic Cousens.

This book is one more plea that the economic difficulties of a country can be largely cured by the elimination of the profit (or, as I should put it, the speculative) element in the prices. The intermediate step is the limitation of profits Industrial Guilds. As Mr. Baker is well aware of many of the complexities of economic effort as we have it, he has written a book much better than the usual propaganda in favour of what is misguidedly called "production for use and not for profit," though he seems to me to be somewhat ingenuous in recommending his first steps which are to bring about prosperity to the business men he proposes to abolish as such in his final steps.

He aims at showing that the task of society is to ensure a continuous distribution of the products of industry and to ensure also their just distribution. These two things, continuity and justice, are two aspects of one problem. "For the downward movement of the price level that produces trade depressions and unemployment is a reaction from the results of a previous upward movement; and the upward movement is the consequence of an unjust and uncovenanted diversion of income towards a particular class." "If prices could be prevented from rising while an expansion of credit took place one of the greatest bars to prosperity would be removed." (p. 36.) This rise of prices is due to there

* "The Control of Prices." By Augustus Baker. (Dent. 5s.)

being "at every stage of production and distribution people ready to charge more if they can get it. . . . Sellers are liable to raise prices wherever demand is sufficiently pressing." (p. 42.) To stop this prices must be directly controlled by Government. As an immediate step let all prices remain as they are at present for, say, a year.

Only solid reasons, such as a rise in the price of imported raw materials, or the fact that a section of industry is now selling at a loss, should be allowed to warrant an increase. The Government and the banks are to pump credit into the system to whatever extent seems desirable. The net result will be a great increase in production of all sorts without any of the consequences of previous booms, for the differential gains of the trading classes would be at least severely limited, their investments in new capital goods would not still further sky the cost of living, and increase their claims on the country's future production.

As his more permanent scheme Mr. Baker wants profits to merge into salaries. The guiding brains of many concerns to-day work for salaries, and there is no reason why the lot of them shouldn't. Shopkeepers might get profits as a commission on turnover (p. 101). Then the country should be organised into Industrial Groups, in which, though there might be variations from unit to unit according to circumstances and expediency, the groups as a whole should each just pay their way, by selling the total saleable product of each at a price equal to its total cost of production. Falling prices would then mean intrinsic cost cutting, the benefits of which could be shared between producers and consumers as circumstances suggested. When the profit question has been settled, it will be possible to deal with residual difficulties such as those due to savings and investment (p. 144).

This is not the place to criticise Mr. Baker's own thesis in detail. It would be a long job if done at all thoroughly, but I would only like to point out that there is one answer to his complaint of "unjust and uncovenanted" price increases and that is to the effect that the consumers are responsible in that their purchases are discontinuous in time and space, and the trader must, as a condition of his existence, cover that risk when he can (see Foster and Catchings, *Profits*). Then, as to shopkeepers making a profit by turnover margins, he had better take note of, e.g., Messrs. Lyons, whose policy has always been to make infinitesimal profits millions of times repeated, Messrs. Woolworth ditto, the more or less stable prices of branded goods and the relative immobility of prices of goods sold by mail-order concerns, yet such successful capitalist concerns are those most resistant to his final scheme. Marked variations in the prices of consumers' goods seem to me to occur (a) with those for which supply and demand are very variable, e.g., fish, fruit, vegetables, and to a smaller extent meat; (b) seasonal, as at seaside resorts in summer; (c) between "sale" and normal prices. For all these the consumer is equally responsible. Another point he might consider is the extent to which production is controlled by concerns which ostensibly make no profits, e.g., the Government and local authorities' services and the Co-operative Societies, and those who, like the Co-ops., come under the Industrial and Provident Societies Acts or under such things as gas and water acts, which limit the profit they may make. When all these and other considerations are taken into account, I think the role played by variable profits in society is less important than Mr. Baker appears to think.

But profit, or rather the margin above cost which firms must add to their prices in order to cover the risk of loss through consumer's caprice and otherwise, is a source of trouble whether it is variable or not. If Mr. Baker's interim scheme of fixed prices and credit expansion were installed, and the output of the system were increased by so much, each unit at each stage in the production would have to charge in its prices some amount, say, 1 per cent., to guard against mistakes in anticipating demand. When the output reached the shopkeeper, its price would be 1 per cent. above the costs of production and there would be no distribution of the 1 per cent., assuming that there was no ever lengthening capital production, whether or not it was required, to meet it. In general, the fault of profit is not its injustice, but its necessary attempt to recover more than has been given out.

This brings us to Mr. Baker's complaints against Major Douglas. As I have written elsewhere, I am at a loss to discover why Mr. Baker objects to the A + B argument. He specifically admits that it is true, for he writes, (page 138), "we may use for the purpose of buying current output those sums which are to-day being distributed to individuals for producing materials that will create overhead charges

in the future." He might say, like the orthodox economists, that it doesn't matter, because we do and shall always issue enough for future production to buy present production; but he can't, for his book tries to give the new condition which, according to him, is necessary to secure this. He might also say that, with his new condition, it doesn't matter, because the ever-increasing chain of processes, altering the ratio between A and B costs, makes no difference; but he doesn't. Pages 157 to 162 are "in the air."

On page 161 Mr. Baker says that "the banker does not create overhead charges apart from the comparatively trifling matter of interest." Yet he himself, in a letter signed A. E. Baker, THE NEW AGE, July 1, 1920, picked on bank interest as a source of disequilibrium. But I agree with him that the discrepancy indicated by A + B would remain "if it existed at all, though there were no banking system and no credit in the modern sense. . . . They arise from the division of production into different processes carried out by different units," and, I would add, at different times. Mr. Baker has a curious passage defending the banks on the ground that they make a fresh loan when an old one is repaid, and so do not aggravate financial difficulties. In the midst of this paragraph on "a normal part of the system," he writes (page 164): "Now and then the banks do withdraw something from the stream. Then, indeed, money is destroyed." Turning to Chapter III., we find him explaining what are the reasons for the bankers working their system as it is, and can only conclude from his own description that it is inadequate and approve his own statement (page 35): "The bankers, nevertheless, assent to a restrictive currency policy, and, in fact, are largely responsible for it." The Social Credit complaint against the bankers is that (a) their credit system depends on but controls the economic activity of the country; (b) it is run as an end in itself, and economic activity subjected to its conventions of liquidity, security, repayment, etc.; (c) it aggravates all other monetary difficulties (profits, savings, investment, interest, reserves, etc.).

Mr. Baker's paragraphs on debt, capital, and rising prices (pages 164-167) are not documented, and in the absence of quotations or references, do not seem definite enough to be answered. His paragraphs on the Price-Factor amount to the statement that he doesn't understand what is meant, but that it isn't necessary.

There are a good number of other sentences in the book which intrigue me. For instance, having deliberately made the cost of production the just and legal price, he says (page 143): "Prices would rise if an extension of capital development were undertaken great enough to cause such a diversion of labour from consumable production that its output fell off. They would also rise if population increased at a greater rate than productive capacity." But why, if prices are fixed by the unalterable past? In the first case, does he mean that the efficiency of the remaining labour would go down and bring about decreasing returns? Or that there would be a charge made for depreciation on all the machinery which had been deserted by the transferred labour? And neither of these would apply in the second case. Does he mean here that less fertile land and more difficult mines and forests would have to be opened, and the prices charged by his guilds consequently raised to cover the greater rate of cost? Or what?

Mr. Baker won't have consumers' (or shall we say citizens') rights, and so would have nothing to do with a National Dividend. But after reaffirming that it is neither necessary nor right for consumers, as such, to receive an income (though in fact the history of social legislation in the last hundred years is largely one of finding it both necessary and right to hand out incomes to increasing numbers of non-producers), he says (page 173) it may be expedient for them to have one in certain cases. In which event, I fear he must give up his Price equals Cost of Production, and either by taxation or direct additions to price make it more than cost of production. And, as he admits expediency, I suggest that the profits system has grown and remains also because it is expedient.

Notice.

All communications concerning THE NEW AGE should be addressed directly to the Editor:

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.

Irish Notes.

The Catholic Bulletin for November views with much concern the sudden rise to notoriety of the Blue Shirts in the Free State. They have purloined the Royal Blue of the ancient Irish Kings as their colour, whereas Green was the natural blending of the Catholic Blue and the Protestant Orange, as typified by the United Irishmen of 1791 and the following years. There are many in the Blue Shirt movement who believe in the justice of their cause in all innocence, but who cannot see the bony hand of international finance round the corner.

Irish Fascism is a bastard form of nationalism which can never make Ireland united and "a nation once again." The Catholic Bulletin recognises the seriousness of the situation when it says: "With a National Government in power, the country should be marching forward to its high destiny, a land where creative things were being done, the spirit of a nation vivified. Instead, in all its chequered history, times were never graver."

These sentiments are impeccable, but the method for obtaining mastery in their own house requires re-orientation. Expropriation of the landlords will be as futile as was the kicking out of Ireland of the British in 1916.

Not land, but solar energy, is the source of all wealth. James Watt, by his steam engine in 1765, was the first to explode that theory. The great Shannon Power Scheme is the modern proof thereof, which is only part of Ireland's "cultural heritage through the progress of the industrial arts."

The attention of The Catholic Bulletin is drawn to the Draft Social Credit Scheme prepared by Major C. H. Douglas for Scotland, which could be adapted to Ireland with very slight re-drafting in minor points. Here will be found the method for the establishment of an Irish Economic Democracy.

R. H.

Mute Opinion.

I traversed a dominion
Whose spokesmen spake out strong
Their purpose and opinion
Through pulpit, Press, and song.
I scarce had means to note there
A large-eyed few, and dumb,
Who thought not as those thought there
That stirred the heat and hum.

II.

When, grown a Shade, beholding
That land in lifetime trade,
To learn if its unfolding
Fulfilled its clamoured code,
I saw, in web unbroke,
Its history outwrought
Not as the loud had spoken
But as the mute had thought.

THOMAS HARDY.

(From Poems of the Past and the Present.)

FORTHCOMING MEETINGS.

National Credit Association.

An introductory talk on Social Credit will be given by Captain T. H. Story, to the South Kensington Labour Party at 181c, High Street, Kensington, at 8 p.m. on Thursday, November 30. Visitors will be welcome.

Bradford D.S.C. Group.

November 30, Thursday, at 7.30 p.m., in the County Restaurant, Bridge Street, Bradford. Speaker: The Marquis of Tavistock.

December 6, Wednesday, at 7.30 p.m., in the County Restaurant. Speaker: Mr. R. G. S. Dalkin, of Rotherham.

Folkestone Douglas Social Credit Group.

The above Group has been formed; meetings on the first and third Monday in the month, 8 p.m., at Clough College, 35, Cheriton Gardens, Folkestone. All persons interested in the Douglas Social Credit proposals are invited to communicate with the Hon. Secretary, D. Jackson, Royal Hotel, Dover Road, Folkestone.

Brighton and Hove D.S.C. Association.

A Worthing group has now been formed and the first public meeting will be held on November 30, at Crewe Hall, Montague Street, Worthing, at 8 p.m. Mr. Peter Hand will give an address.

There are now four study circles in connection with the Association.

The Films.

Film of the Week: "Dinner at Eight." Metro-Goldwyn-Mayer production. Directed by George Cukor. Empire.

This film is the lineal successor of "Grand Hotel," made by the same producers, and has revived the all-star controversy started in connection with its predecessor. The policy of engaging the largest possible number of players whose names are believed to be of box-office value to appear in the same picture has been defended on the ground that it is preferable to have great actors and actresses for small parts than to entrust important roles to little people. If by little there is meant mediocre, no one will quarrel with the contention, but the defence begs the question. Some players whose names are imagined to bring "big money" to the box office are completely devoid of acting ability, while the case of "Hunted People," to quote only one instance out of many, shows how every part, down to the smallest, can be perfectly played by men and women whose names mean nothing at all to the public. The controversy is, in fact, futile. Select a good cast and give the players suitable roles in a good and well-directed film, and it doesn't matter whether they are known or unknown. Engage a hundred top liners, who are unsuitably cast, and the result will at best be mediocre, and may be very bad indeed.

This assertion is borne out by facts. "Grand Hotel" was a mediocre production, and some of the players, notably Greta Garbo, were badly miscast. "Dinner at Eight," which has at least a dozen players in the genuine star class, is perfectly cast, admirably directed and edited, and superbly acted. The result is the best entertainment film of the year. Actually, it is more than that; the dialogue is good and amusing, and John Barrymore's impersonation of Larry Renault is really great acting. Admirable is also the Kitty Packard of Jean Harlow, an actress who has hitherto been largely wasted on conventional roles in machine-made pictures. The rest of the remarkable cast includes Lionel Barrymore, Wallace Beery, Lee Tracy, Edmund Lowe, Billie Burke, Madge Evans, May Robson, Jean Hersholt, and Marie Dressler, the last of whom uses methods that are beginning to pall.

One feature of the technique of this excellent film is of special interest. Most of the sequences are duologue, a very effective method in this instance. Incidentally, despite the ban of the Censorship on the exhibition of suicide, the "A" certificate has been given to a picture in which the audience is shown a determined and successful endeavour at gas poisoning.

Current General Releases: "Bitter Sweet." British and Dominion production. Directed by Herbert Wilcox. "A Bedtime Story." Paramount production. Directed by N. Turog. "Peg o' My Heart." Metro-Goldwyn-Mayer production. Directed by Robert Z. Leonard.

The first of these pictures is a further instalment of the gospel according to Wilcox: engage indifferent actors and actresses to make a celluloid version of an indifferent musical play, and then use the camera without the slightest regard for the cinematic. Here, the photography and lighting are also bad, and although Noel Coward has the credit for authorship of the original, there is not a line of dialogue that is not flat-footed and banal. Altogether a shoddy production. The cast, which looks good on paper, includes Anna Neagle, one of the innumerable female white hopes of the British screen; Miles Mander, who was at one time actually in the first rank of our film players, but is now apparently unable even to drink a glass of wine without a theatrical flourish; French café concert singer is so much like the real thing that she must have arrived at Elstree by mistake.

Maurice Chevalier is a matter of taste. As is the case with the Marx Brothers, one either likes him greatly or dislikes him greatly. The present critic has never been enrolled that he is an artist with a personality who has been handicapped by the mediocre American films in which he has for years appeared. "A Bedtime Story" is amusing, but might remember the elementary fact that a farce should not be might slowly. Whoever was responsible for the scenario squandered his talent for the future that even the least ing jokes may be nauseated rather than amused by sniggering at Baby Leroy, an uncommonly engaging infant whose age is to be reckoned in months.

"Peg o' My Heart" is based on the "famous play" by J. Hartley Manners, which I count it among my major pieces of good fortune not to have seen. The film version

is the sublimation of saccharine sentimentality, and has a background that is partly stage-Irish, complete with fishing village made in Hollywood, and partly pseudo-English, complete with female aristocrats who prove their breeding by bad manners. Marion Davies is wasted in this hokum, but again indicates what a good actress she could be if producers permitted it. I first saw the picture five months ago, and am still wondering what happened to the two millions—sterling—that Peg is supposed to forfeit if she returns to her father.

"International Films."

Last week, I had a talk with Julien Duvivier, the director of "Poil de Carotte," who was spending a day in London. He is planning, he told me, to make a film with Maurice Chevalier. It has not yet been settled whether this will be produced in London or Paris, but the director is determined on one point; film-goers are to see "a new Chevalier who will act, and not merely exploit his personality." The picture, I understand, is to be made in both an English and French version. Mr. Duvivier was asked whether he had any plans for making "international films," a term that apparently means pictures regarded as likely to appeal to the less educated sections of the public in Great Britain and the United States. His answer was that before a film could have any truly international appeal it must first be definitely national in character and conception. It is good that a director of distinction should draw attention to a truth that has for some time been insisted on by a number of critics and completely disregarded by British producers. "Poil de Carotte," for instance, is essentially French in atmosphere and characterisation, but its theme is of universal appeal. Much of the nonsense that has been talked about the "international film" is due to the wrong direction that the cinema has steadily been taking since the talkies; excessive insistence is laid on dialogue to the detriment of cinematic quality, with the result that the picture—instead of being complete in itself and using speech merely as an accessory—is drowned by words. That such productions should fail to appeal when presented to audiences speaking another language is understandable enough. DAVID ÖCKHAM.

Music.

Roger Quilter's New Light Opera, "The Blue Boar," B.B.C., October 24.

For too long we had heard too little of that distinguished and unique composer Roger Quilter. There were, however, rumours of activity in an unsuspected form, namely, opera, but this seemed unlikely, for Quilter had not hitherto evinced any special interest in the genre, and the choice of texts in his songs suggested that scarcely any librettist could supply him with the material in which his peculiar genius would work easily.

It has, nevertheless, been done, and by Mr. Rodney Bennett. It is impossible to enter into all the circumstances here, but a full account of how this wholly delightful work came into being is contained in an article by Mr. Bennett in the *Radio Times* of October 20. Suffice to say that the subject is an eighteenth-century romantic comedy with the scene laid in London and the tavern, "The Blue Boar," as a focal point of the action.

An excellent performance by all concerned (including Ina Souez, Amy Augarde, Appleton, Moore, Nora Grün, Raymond Newell, and Mark Raphael) was given from the B.B.C. studio, but the score had been so drastically abridged that one can hardly consider the work as a whole; i.e., many numbers had been omitted and others curtailed in order to compress a whole evening's entertainment into an hour. Moreover, the action was detailed by a narrator—a not very convincing method.

But what did emerge was that Mr. Quilter had here been moved to an extended flight of fancy, and had produced a charming and characteristic collection of tunes, both merry and meditative, complete, of course, with his piquant harmonisation and deft scoring. Those who know Mr. Quilter's work realise that he never sets pen to paper without urgent reason—a guarantee of good things—and one is thankful for the fact that he is one of the few remaining composers who have not followed the Central European fashion and turned out masses of mere cerebralism (of a not too high order at that) instead of music, that is, something resulting from a fusion of intellect and emotion.

The work naturally depends also upon proper mounting, costumes and continuity of action; but if a Bowdlerised version can produce such an enjoyable evening it is clear that the original should be far more successful, and I predict that when it is produced in the West End, as eventually it must,

it should prove at least as popular as, say, "Tantivy Towers."

Tertis and Solomon, B.B.C., November 3.

At the second of the B.B.C.'s series of public chamber concerts Messrs. Tertis and Solomon gave the first performance of Arthur Bliss's new sonata for viola and pianoforte. At a first hearing it appeared to be an admirably wrought work, teeming with vitality and a wealth of invention in all departments, albeit suggesting occasionally a Bax-Delius derivation. Mr. Bliss has plainly advanced a long way from his colour symphony and "Rout" days, and his music now displays what, for want of a better word, must be termed inspiration.

The sonata is in three well-contrasted movements, and one feels that it bears a definite imprint of individuality, as well as being a notable addition to the not too extensive repertoire for viola and piano. It goes without saying that it was performed with extreme brilliance and insight by Messrs. Solomon and Tertis, to the latter of whom it was dedicated, and to whom it doubtless owed its origin.

Solomon then gave an excellent rendering of Chopin's B minor Sonata, and it is to his credit that he actually succeeded in reviving one's interest in this much-mauled work.

The recital concluded with Tertis's transcription of Delius's Third Sonata for violin and piano—one of those remarkable efforts dictated by the composer to Eric Fenby. As played by Mr. Tertis it invariably sounds to greater advantage than in the original, which is saying a lot, for if not Delius at his best, it is still Delius, with lovely lyrical passages, richly glowing harmony, and a complete absence of padding. But Mr. Tertis, with his incredible tone, consummate phrasing, and fine feeling, could persuade one of anything.

York Bowen and Ernest Tomlinson, B.B.C., November 7.

At this further concert of viola and piano music the outstanding work was Mr. Bowen's own Sonata No. 1, which was played most admirably by the composer and Mr. Tomlinson. Mr. Bowen appeared to be enjoying himself hugely at the piano, though the tonal balance was well preserved throughout; it is, however, no insult to Mr. Tomlinson to say that one could not help wondering how the work would sound in the hands of Mr. Tertis, to whom, as with nearly all works written for this combination, it was dedicated.

Incidentally, the B.B.C. have "discovered" Mr. York Bowen very late in the day; in fact, I will say he has been scandalously neglected. In the first place, he is one of, if not the best, of English pianists (English, that is, as opposed to Anglo-Semitic), and no other male pianist in this country can extract more effect from the instrument. Secondly, he is far and away the best English composer for the piano; his works may be difficult, but they are always absolutely pianistic, and obviously written by someone who understands and knows how to exploit the entire potentialities of the piano—in itself a strong recommendation in the present state of musical affairs when the piano is looked upon by many as nothing more than a percussion instrument.

Thirdly, I present our pundits at the B.B.C. with the information that Mr. York Bowen has composed not only first-class works for pianoforte solo, but also a quantity of fine chamber and orchestral music, including two string quartets, a horn quintet, a bass clarinet sextet, two viola sonatas, a symphony, a "Festal Overture," and four piano concertos, and I suggest that it would be a great relief if we could be given this music from time to time as an antidote to the perpetual forcible feeding of the musical public with the depressing, devitalising dishes of the Stravinsky-Hindemith-Prokofieff-Bartók fraternity.

Probably our pundits dislike Mr. Bowen's music because it is not atonal, but it possesses, on the other hand, qualities that will undoubtedly outlive the programme compilers' tenure of office, so he can well afford to disregard their disapproval (which is the highest compliment they could pay him) and await a saner régime. Actually, his music is basically diatonic, melodically, but reinforced by a most attractive and somewhat Delian harmonic scheme. The sonata mentioned above, by the way, is singularly satisfying both in substance and structure, and is genial, exuberant, and impassioned in turn, containing most engaging material, and conveying a sense of unity.

Segovia, Wigmore Hall, November 8.

This amazing artist made one of his all too infrequent appearances, and gave a most absorbing recital, the programme of which contained works by some of his own country's composers—Torroba, Tárrega, and Albéniz—as well as examples of Bach, Grieg, and Schubert. The sounds which Señor Segovia produces from his instrument are positively extraordinary and a revelation of what an artist can obtain from what would appear to be a limited source.

He is the Gieseking of the guitar, which means that his sensibility is of the keenest, and that he can produce at will any and every effect of which the instrument is capable. A Bach group sounded uncommonly attractive in this medium, as did also the "Petite Valse" of Grieg. But it was Spanish music that gave me the most pleasure. Some enchanting effects were produced by his discreet use of portamento, a device that, of course, can only be employed where there is direct contact with the string, and which in lesser hands one can imagine being highly unpleasant.

CLINTON GRAY-FISK.

Reviews.

Nietzsche. By Gerald Abraham. (Duckworth, 2s.) series. This is the latest volume of the "Great Lives" series, which are apparently designed as primers, or short biographical introductions. It is virtually impossible to do justice in a little volume of less than 150 pages to one of the most persistently and consistently misunderstood characters of the nineteenth century—Nietzsche was among the first to denounce the pernicious influence of Prussian militarism on culture, yet during the war he was represented in England as the apostle of Prussianism and the "preacher of war." Within the brief space at his disposal Mr. Abraham has done his work soundly—the concluding pages on Nietzsche as artist and thinker are specially meaty, and the book can be recommended as a first step to the understanding of the author of "Thus spake Zarathustra."

DAVID OCKHAM.

Imagination and Religion. By Canon Lindsay Dewar. (Philip Allan, 3s. 6d.)

This book will not improve the reputation of the Church of England for intellectual honesty. Canon Dewar uses such a wide definition of imagination that if he demonstrates anything it is the essential similarity of the methods of the modern advertiser, Our Lord Jesus Christ, Mrs. Eddy, St. Paul, Frank Buchmann, and Ignatius Loyola. Any shred of interest in the argument which the charitable reader may have retained as far as page 21 will be blasted by the following paragraph—

"The prevalence of the disbelief in a future life, in fact, affords a good illustration of the fact that men are ruled by imagination far more than by reason. It is often asserted, and still more frequently implied, that belief in immortality is a figment of the imagination in which there are no rational grounds. The reverse is the case. There are strong rational grounds for believing in a future life, but it is impossible to imagine that which 'eye hath not seen nor ear heard,' and that is why belief in it has so weak a hold upon the generality of persons. All imaginative representations of the next life are of necessity anything but convincing."

Has humanity found it impossible in the past to imagine a future life? Harps and crowns are out of fashion now, but was imagination so difficult when Bunyan wrote—

"... and behold, the City shone like the sun; the streets also were paved with gold, and in them walked many men, with crowns on their heads, palms in their hands, and golden harps to sing praises withal."
Are we to infer that all believers in an after life, from the simple savage to the modern spiritist, are more amenable to reason than, say, Spinoza? Is the man in the street to-day considerably less reasonable than his medieval predecessor? Do most Christians believe they can't bear to for any reason at all, and not because they can't bear to believe in the other thing? And, finally, does Canon Dewar, or anybody else, find it easier to imagine the extinction than the continuation of his consciousness? M. J.

1. **Ashe of Rings.** By Mary Butts. (Wishart, 7s. 6d.)
2. **Tinker's Wind.** By G. Scott Moncrieff. (Wishart, 7s. 6d.)
3. **This Bright Summer.** By Clare Meredith. (Rich and Cowan, 7s. 6d.)
4. **The House That Was.** By Netta Syrett. (Rich and Cowan, 6s.)

I am not sure whether, in view of her rising reputation, Miss Butts is well advised to re-issue her early novel (1), which was originally published in Paris in 1925. Looking back at it from 1933, "One sees now what it is," she tells us. "It is a fairy story, a war-fairy-tale, occasioned by the way life was presented to the imaginative children of my generation." Now a fairy story is it takes the easy to write as an ordinary modern novel: it takes the simplicity of a Southey to write "The Three Bears," and the exquisite poise of a Max Beerbohm to write "The Happy Hypocrite." A successful fairy tale is not likely to

be written by a young woman who is obviously at the most self-conscious stage of intellectual development, besides being overburdened by a classical education and working under the curiously combined influences of Stella Benson and Dostoevsky. The book will no doubt be admired, but I can hardly think it will be enjoyed. There is little more to be said of "Tinkers' Wind." (2). The first requisite of a novel with a travelling cheap-jack for hero is, of course, vitality; and this the book completely lacks. There is no smack or relish of the illustrious Gaudissart. Here is the way Mr. Scott Moncrieff's tough characters talk in a shaving saloon off the Tottenham Court Road:

"Silly chump, smiling!" exclaimed the barber.
"Clumsy! What're you doing?" Mac remonstrated.
"Call yourself a barber: more like a butcher. You'll lose my custom."
"That'll be a comfort."

I know that even modern ideas of decency will not let the author tell his public what the barber really said; but that is no excuse for such utter flatness. Before reviewing the practice of printing the publisher's blurb inside the book, on the flyleaf, as well as on the jacket. I am prepared to be told, if I trouble to read the latter, that Miss Clare Meredith has written a book (3) which "takes you by the throat and shakes you—and you are glad and grateful for the experience." But if I wanted to keep my review of the flyleaf every time I opened it. "This Bright Summer" is one of those powerful books, all about a lost village in the wilds of Vermont. Miss Meredith works her beautiful heroine pretty hard; she is lusted after by all the village, incestuously mauled by her father and seduced by her lover; and then, when at last she has been made an honest woman of, she is raped by her brother-in-law. Added to the erotic interest in the sadistic, the incestuous father is only saved from castration by being stabbed through the guts with a hay-fork by the village idiot; and there is the most bloodthirsty description of a fight that I have ever read. The whole thing is done with considerable ability; the construction and character-drawing are by no means contemptible, and though it has no connection with Literature, the book is distinctly readable. I lent it to a friend who is better qualified than I to judge of the realism of Miss Meredith's erotic descriptions. He told me that he found them most convincing; his only objection was that the authoress was inclined to overrate the pleasures and underrate the mechanical difficulties of al fresco intercourse. "The House That Was" (4) is a very different proposition—a mild, unpretentious little story, reminiscent of "Berkeley Square" and inspired, it seems by "An Experiment with Time" M. J.

LETTERS TO THE EDITOR.

GREEN-SHIRT POLICY.

Sir.—As an admirer of the Green Shirt movement I do implore it to revise the first of its three demands, namely: "That the power of credit issue and withdrawal be taken from the Bank of England and vested in the National Credit Office."
The Green Shirts claim to be "100 per cent. Douglas," but nowhere in the works of Major Douglas will they find that he advocates such a demand. Douglas always insists that there shall be as little disturbance of the present system as possible, and to quote the Green Shirt notes of this week, he believes in "grafting the progress of the present on sound traditions of the past." For these reasons he would interfere with the banks as little as possible, and would obviously allow them to continue granting credit to producers.

The National Credit which Douglas refers to is credit for consumers by means of the Discount and Dividend, and a similar control of this consumer credit would not mean the interests of producer credit. It would not be in the Treasury had the control of Consumer Credit. Many traders would feel more sympathetic towards social credit if they were not told by the Green Shirts and others that their loans would in future come from an unaccustomed source—a national credit office. And in any case why antagonise the banks unnecessarily when control of Consumer Credit will at last make the banks our servants?

R. S. J. RANDS.

"A + B" AND "CONTINUOUS PROCESS."
Sir.—As we now have one illustration in which all production processes are comprised under four units, and another

illustration in which "bootmakers" represent all producers of finished goods, I think it would probably be more acceptable to Mr. Baker, and clearer as regards B payments, if we imagined all existing productive organisations (involving every variety of service as well as goods) combined under one State Authority—(say British Industries, Ltd.).

In the case of this comprehensive concern, B payments would represent simply inter-departmental transfers. Excluding imports and exports, the only payments to other organisations would be bank charges, and, if we imagine B.I., Ltd., to take over the banking business as well, there would be no external payments.

Now, if we consider B.I., Ltd., to be moving with uniform velocity—to be, in fact, a "continuous process" as outlined in the article from which this discussion arose—there would be no capital development; there would simply be maintenance of existing plant in a fixed condition.

In these circumstances, consumers would spend the whole of their incomes on consumers' markets, where there would be equation between production and consumption. That bugbear of the Social Creditor, the ratio of costs to incomes, would remain constant.

But as soon as we admit realities into the situation in the shape of scientific research workers and engineers, and regard B.I., Ltd., as a developing concern, every department will be allocating capital charges (and passing them along) in respect of new plant, in excess of the charges for maintenance of existing plant, which are off-set by current A payments. This rate of increase of capital charges will be a measure of the industrial development.

So the ratio of costs to incomes will continually increase. It may be quite possible, under such conditions, for incomes to keep pace with the costs arriving on consumers' markets, but this can only be accomplished by a continuous rise in total costs, represented, physically, by the increased plant of B.I., Ltd., and, financially, by the growing figures in the loan accounts of its banking department.

Further, if B.I., Ltd., attempt to finance the new capital development in the orthodox way, i.e., out of savings, this will further increase the ratio of costs to incomes—for reasons familiar to your readers, though still disputed by certain economists.

Yours faithfully,
A. W. COLEMAN.

November 23, 1933.

BRITAIN'S SELF-SUFFICIENCY.

Dear Sir,—Your readers might like to know that expert investigators in Scotland have shown us that with a very slight change in diet, Scotland is at the present moment self-supporting in the essentials for the support of the whole community, i.e., food, clothing and housing. No doubt, of course, in the event of a boycott by other countries, great inconvenience would be caused, but no vital service of necessary commodity would be wanting.

This fact is of interest in view of the prevailing feeling amongst Scottish Douglasites that the first and chief step towards the adoption of Social Credit in Scotland is the attainment of Self-Government for Scotland. They believe that England will be the last country to give up orthodox financial methods; that the Bank of England will be the last bulwark of the present financial system; and they believe further that Scotland under Self-Government would be the first country to give a true economic lead to the world.

S. R.

SOCIAL CREDIT SECRETARIAT.

The Secretariat will move on December 1 into new offices, for which furniture must be obtained, and, believing that the capacity to deliver goods is greater than the capacity to deliver money, will be glad to receive offers of the following items either as donations or on loan. In this way it is hoped to some extent to avoid diverting funds subscribed into expenditure which does not positively further Social Credit.

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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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Published by the Proprietor (ARTHUR BRENTON), 70, High Holborn, London, W.C.1 (Telephone: Chancery 8470), and printed for him by THE ABC OF FINANCE LIBRARY, Temple Avenue and Tudor Street, London, E.C.4. (Telephone: Central 3701.)