

THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

No. 2154] NEW SERIES Vol. LIV. No. 8. THURSDAY, DECEMBER 21, 1933. [Registered at the G.P.O. as a Newspaper.] SEVENPENCE

CONTENTS.

	PAGE		PAGE
NOTES OF THE WEEK	85	FASCISM AND SOCIAL CREDIT	92
Canada and Wheat Control. Austria's bread-dividend—Col. Repington's account. Census of distribution in Ireland. The United-States Budget— <i>The Times's</i> Correspondent on its "underlying assumptions," on "nervous capital," etc., etc.		Correspondence between the British Union of Fascists and the Southampton D.S.C. Association.	
UNEMPLOYMENT AND LEISURE. By E. C. Skeat	89	THE FILMS. By David Ockham	93
Open Letter to the Rt. Hon. J. C. Smuts.		<i>Service. International House. Channel Crossing. Doss House.</i>	
SOCIAL CREDIT AND RELIGION. (Editorial)	90	MUSIC. By Clinton Gray-Fisk	94
THE GREEN SHIRTS. By H. T. W.	91	B.B.C. Symphony Concerts. Eileen Joyce.	
		THE SLUM PROBLEM. By William Bell	94
		<i>The Anti-Slum Campaign.</i> (Sir E. D. Simon.)	
		CORRESPONDENCE	95
		Augustus Baker, Arthur Williamson, E. Stanley Hillman, R. Brown.	

NOTES OF THE WEEK.

Wheat Control.

The Wheat Agreement took place last August and was entered into by the principal buyers and sellers of thirty countries. It was acclaimed by the Press as a triumph of peaceful negotiation. But the triumph simply consisted in the securing of signatures to a general formula of economic disarmament corresponding to those formulae of military disarmament which everybody with any knowledge laughs at. The wheat formula was, however, less vague than are armaments formulae, because it dealt with one single recognisable commodity measurable by established standards of weight; so that when each signatory accepted a particular quota as his share of the export market his obligation, and the means of checking his fulfilment of it, were both definite. There was no scope, as there is in armaments formulae, for the signatories to ride away from their obligations on matters of interpretation, such as the nature and measure of military equipment and organisation. The signatories are now finding that the international agreement was one thing, but national implementation of it another. Canada, for example, agreed not to export in the year 1934-5 more than 85 per cent. of her average exports over the last four years—a gesture of brotherly co-operation in the agreed policy of scaling down future supplies to the level of the prospective demand by consumers. But *The Times* (December 12) now tells us that the question now being debated is "by what machinery the Canadian export trade can be controlled to ensure that this restriction should be enforced in the way which will give the Canadian farmer the greatest benefit." Notice the significance of the italicised words. The international Wheat Peace is to be implemented by national Wheat Wars in Canada and the twenty-nine other countries bound by the terms of the "triumphant" Wheat Treaty.

Happily, Providence has intervened to postpone hostilities so far as Canada is concerned, and *The Times* alludes to it in terms which constitute a classic piece of unconscious satire. It solemnly remarks:

"This season the problem is eased by the comparative failure of the prairie harvest. It is believed that

the exportable surplus will not exceed the amount stipulated in the Agreement and that there may even be an opportunity to dispose of some portion of the carry-over. But the 1934-35 crop may present a great difficulty. As the amount to be exported has to be reduced by 15 per cent. of the average it would seem to be courting disaster to trust to the forces of Nature to reduce the wheat yield of next year." (Our italics.)

The writer has not thought of suggesting that the Canadian Churches might set aside a day of intercession with the Almighty to avert the disaster. He merely recounts the methods being discussed for insuring against it. Some people want the Government to operate on the Wheat Exchange to prevent violent fluctuations in prices. The farmers want a National Wheat Board to control production and marketing. This the dealers strongly oppose. It's a job to know what to do. But, happily, the solution does not rest with the parties to the squabble; it rests with the bankers, and it will take the form of such measures as will hold the price of wheat low enough to avoid the necessity of raising the wages of industrial bread-consumers, yet high enough to prevent collapse and commotion in the agricultural areas. How it will be done will depend on how the bankers' loan-credits and mortgages are distributed as between town and country. Wheat at a very high price would tend to retard repayments of industrial loans; while wheat at a very low price would have the same effect as regards agricultural loans. So the people of Canada may rest assured that whatever may be the measure of the good things to be sent them by Heaven in the year 1934-35 the disastrous consequences of the gift will be equitably distributed among them by the High Priests of the Financial System.

Austria's Bread-Dividend.

In view of the problems created by the Wheat Agreement it will be timely if we revive the quotations in Lt.-Col. Repington's book, *After the War: A Diary*, which describe the Austrians' policy of subsidising bread-consumption without recourse to taxation—in other words, financing consumption with Budget deficits. That sounds a curious way of putting it, but it may help elucidation to recall the assurance which the black potentate gave to Lord Reading: "We have no

Budget deficit because we have no Budget." In a closed credit area a Budget deficit is the proof and measure of the Government's having issued to the population more money than it has collected. In other words the deficit in the Government's Budget is a surplus in the Community's Budget. The surplus is new credit. Merge the two Budgets and they cancel out, and there you are! Here follow the quotations.

"Sunday, April 10, 1921. The Supreme Council, having transferred their responsibility for reorganising the finances of Austria to the League of Nations, the Financial Committee of the League will soon arrive here" [Vienna] (page 142).

"Monday, April 11, 1921. Am impressed by studying the Austrian papers. They seem detached and indifferent about foreign affairs, but are full of accounts of all sorts of new or extended industries springing up, and I counted twenty-three pages of commercial advertisements in Sunday's *Neue Freie Presse*. I read or hear of every kind of old industry being extended and of some new one opened. New machinery is being employed, and on the farms prize stock are being bought and farm buildings improved by the rich peasants who thrive on the war. From Upper and Lower Austria, Styria, and the Tyrol, it is all the same story of new developments, and what is really going on is an endeavour to make the new Austria less dependent on her neighbours and less forced to buy abroad in markets made fearfully dear by the exchange" (page 143).

"I find a general accord that Austria wants about sixty million sterling to put her State finance on its legs again, but I have not yet found the bases of the 'calculation'" (page 144).

"I find that two-thirds of the Austrian deficit is due to food subsidies, chiefly bread. A loaf of 1,260 grammes is now sold for nine kronen, but costs sixty kronen to the State. Even a Rothschild is paid, therefore, fifty-one kronen by the State for every loaf he eats" (page 145).

"Goode showed me the last figures of Austrian expenditure on the bread subsidies. They are, *monthly*, 2,762,000,000 kronen for food generally, including 2,300,000,000 kronen for cereals. This is really what is sinking Austria. It is still true that Austria cannot exist without external assistance, but that if she were tided over the next five years and internal reconstruction effected she might become self-supporting. A foreign loan of sixty million sterling, the control of Austrian public finance, the foundation of a privileged bank of issue, and the funding of the services of the Austrian foreign debt are among Goode's proposals on the financial side; but it has all been turned down, and the League financial people seem to be coming here with a brand-new plan which Goode fancies no practical banker will look at" (pages 152-3).

"Tuesday, July 12, 1921. The contradiction, which I remarked in April, between the almost bankruptcy of the Austrian State and the growth of private profits has become still more glaring after the lapse of three months, and the publication of more statistics of trade, Customs, bank profits, etc. Both exports and imports have gone up, but coal accounts, in weight, for two-thirds of all imports in 1920, and foods for a large part more.

However, the horrible fact remains, and is confirmed by the Budget for the second half of 1921, that the revenue is 24.1 milliards of Austrian crowns and the expenditure 49.5 milliards, or a deficit of 25.4 milliards. Only a third of the expenditure is met out of revenue. As before, the main causes of the deficit are the food subsidies.

However, Austria continues to hope, and her private business continues to develop. There is great activity. Everybody is busy doing or trying to do something. The bank profits are large, and branches are being started everywhere in the provinces. Styria promises well in coal and mineral oil at workable depths. Many companies pay good dividends. New ventures are constantly being undertaken. . . . Vienna holds her own" (pages 204-6).

For the information of new readers we may add that the above experiment was alluded to by Major Douglas during his evidence at the Canadian Government's inquiry at Ottawa, subsequently published in booklet form here under the title *Canada's Bankers and Canada's Credit*, and reprinted recently in Australia under the same title. The experiment was brought to an end through external political interference inspired by the bankers and carried out under the auspices of the League of Nations. It will be noticed how Colonel Repington's account bears out our above statement, especially where

he points out that the "horrible" fact of official deficits was accompanied by the less horrible facts of commercial profits and industrial activity throughout the country. There was *Confidence* throughout Austria—confidence, mark you, generated by the unbalanced Budget! We are not suggesting, of course, that Austria's economic prosperity could have been recovered and maintained merely by a continuance of the policy of expanding credit by means of subsidies. Students of Social Credit know that on purely technical grounds this policy would have led to an internal deadlock even if there had been no external pressure on the Government to end it. The comparatively disappointing results of President Roosevelt's recovery-plans, which, so far, have involved a similar financial policy, and which, so far, have not been interfered with by the bankers, go to support the Social-Credit analysis, which shows that all methods of accrediting productive enterprise without new methods of accounting its costs are bound to defeat their object. We emphasised this, it will be remembered, in the article which we published last week under the title of "American Monetary Policy." We shall revert to this later.

Irish Trade Census.

A census of distribution is being planned in the Irish Free State, according to the *Daily Telegraph* of December 12, whose correspondent reports:

Under an order made by the Minister of Industry and Commerce a census of distribution will be taken throughout the Free State early in the New Year. It is the first of its kind in Europe. Approximately 50,000 distributors, of large and small, wholesale and retail, will be asked to furnish details of all aspects of their business. . . . It is claimed that the census will show the purchasing power of the people, and enable far more accurate estimates to be made of the national income than have hitherto been possible.

The utility of this census will depend upon what the real object of it is. There can be a bad as well as a good reason for ascertaining the collective "purchasing power" of the population. Putting it at the token figure of £100, is the idea to scale production costs down to that figure or below; or is it to scale the £100 up to the figure of production costs? The earlier, and futile, idea is being implemented already by private enterprises; and considering that the financial fate of each of them depends upon its making a pretty close estimate of how much money its customers will be able to spend, and upon its planning output accordingly, it is most improbable that the Government could do the job so well as it is being done now. But if, on the other hand, the Government wants to ascertain the quantitative expansibility of the home consumption market with the object of bringing about an equivalent expansion of financial credit in the hands of home consumers, it will be worth while. The question of whether Dick O'Donovan can breed two pigs where, before, he bred one, is subordinate to, and entirely dependent on, the question of whether Patrick Murphy can eat two rashers of bacon where, before, he ate only one.

* * *

If there were no such thing as money both Dick and Pat, who have a common interest in the eating of bacon, would realise that rashers for themselves simply depended on rations for the pigs (the willingness of the boars and sows to co-operate in the procreation of pigs to consume the rations being taken for granted). All they would need to be sure of was that sufficient feeding-stuffs were available in their island for the pigs to transform into bacon. But they find at present that under the monetary system they have to make sure of something else—namely, that means are available for transporting pigs or bacon out of the island. The fewer the pigs left in the country the more the bacon put on the country's breakfast-table. Thus if exports could make pigs as scarce in Ireland as snakes every Irishman could have a side of bacon every day. As one might say, you fatten the family by slimming the

larder. The effect of handling money and thinking in terms of money has an effect comparable to that of crystal gazing: the gazer has no difficulty in seeing his compatriots enjoying in Dublin bacon which is simultaneously crossing the Irish channel to England. He will seriously tell you so. We heard an Irishman a day or two ago declaring: "De Valera is ruining the country," and explaining to his gaping auditors: "We shall never be able to do without the English market." That, in a realistic sense, meant: "We shall never be able to eat our bacon unless we invite Englishmen to crowd us out from our seats at the table." Henry George once drew a moving historical picture of convoys of food travelling along Irish highways strewn with the corpses of famine-stricken Irishmen, on the way to the ports for exportation to absentee landlords. Yet our friend, who probably foams at the mouth when he recalls such stories, was virtually saying that Ireland's prosperity depended upon history repeating itself. To-day, instead of absentee landlords there are absentee money-lords; instead of visible rent-extortion there is invisible price-extortion, tax-extortion, investment-extortion, and similar processes, all of which are implements in the bankers' hands of what is technically known as the deflationary confiscation of purchasing power. It is, therefore, to be hoped that the data to be collected by the proposed census of distribution will somehow or other help to disclose the existence and measure of this evil and open the way for its extirpation.

The United States Budget.

In *The Times* of December 13 its Washington Correspondent talks about the United States' Budget. It had to be ready for the printer on the following Saturday. The cable says:—

"The document as drafted by the Director of the Budget, Mr. Lewis Douglas, is now in the hands of President Roosevelt, whose acceptance of its terms and whose willingness to throw the weight of his still unparalleled influence behind the *acceptance of its underlying assumptions* are believed by the remaining advocates of 'sound money' in the Administration to be the only present hope of the ultimate stabilisation of the dollar and the removal of monetary uncertainty. . . .

"In other words, can the President be persuaded, or is he persuaded, that the road of monetary manipulation is unsafe and that the *Budgetary road will take him where he wants to go?*" (Our italics.)

Mr. Lewis Douglas's estimate of revenue is calculated on the assumption of a 10 per cent. increase in "industrial activity," and comes to 3,350 million dollars. This, he expects, will yield a surplus of 750 million dollars, or, if the Finance Corporation is "liquidated," more than 1,000 million dollars—"money enough to cover the cost of the emergency operations undertaken this year, but to be paid for in the next fiscal year." He "proceeds upon the assumption that there will be *no need to pay the Government's bills in greenbacks* if spending is stopped now," and that a halt in expenditure would be a sign that "currency is to be kept 'sound,' with the result that "*nervous capital*" would resume that "long-term investment" which will "accelerate construction"; and that "in no other way can the price-level be safely and effectively raised." But, adds the Correspondent, and proposals are being brought forward for new expenditures totalling 4,000 million dollars for public works, soldiers' bonuses, relief of rural and urban debts, etc.

* * *

The "underlying assumptions" of the Budget are of course bankers' assumptions, the chief of which is detachable from a survey of the above quotations, and is that all Budget expenditure must be offset by equivalent taxation. As stated, Mr. Lewis Douglas thinks that the expenditure so far incurred can be met in this way.

* * *

He is here begging the question of whether the Budget ought to be balanced in this way as a matter of

basic financial principle; and also whether, granted that it ought, it can be so balanced without reversing the partial progress which Mr. Roosevelt has made. We must remind readers that the quoted passages on which we are relying do not come from any speech or writing of Mr. Lewis Douglas, but from *The Times* correspondent's own summary of that gentleman's views and objectives. No doubt the attitude of the Director of the Budget does actually reflect that of the Directorate of the "Sound Money" School now in process of formation, but in justice to him we should wait for him to express himself before saddling him with the logical implications of *The Times* correspondent's expressions. It will be better to regard these as being something like extracts from the Articles of Association of a Sound Money Syndicate which has been formed with the ulterior object of expanding itself into a National Deflationary Organisation.

* * *

Now, the popular cry in the United States: "Down With Sound Money," has no intelligible significance unless it reflects a policy which would be described in the cry: "Down With Balanced Budgets." Yet it is probable that not one out of a hundred Americans who applaud the first formula would care to applaud the second. They all feel themselves competent to express an opinion on what constitutes the "soundness" of money, but they would all be at sea if challenged to propound an alternative idea to that embodied in the expression the "balancing" of the Budget. Be money what it may, as to its soundness (whether as regards its form, or its quantity, or its origination) that is irrelevant to the question whether the Government's expenditure of money ("sound" or "unsound") should be balanced by taxation (in terms of "sound" or "unsound" money). The ordinary citizen would agree to the proposition that whether he received an income in "sound" or "unsound" dollars he was subject just the same to the necessity of living within that income; and having so agreed he would be defenceless against the challenge of the bankers to show why, if that principle of soundness must govern the budget of every individual citizen, it must not also govern the Budget of the Government, who, as he would be told, simply bought things for and on behalf of the community. The bankers might put it like this: "Take a community of eight persons with an income of ten dollars each, who thus, collectively, cannot spend more than 80 dollars: how can they expect, by deputing one of their number to take their money to the stores, to get goods costing 100 dollars? Would not that be the same thing as if each of them had himself spent 12½ dollars against 10—a feat only possible by supposing each to have borrowed 2½ dollars, and therefore to have committed himself to repayment out of the next instalment of his income?" The conclusion would seem irresistible that a budgetary deficit must be a communal liability, which, if not bridged by new taxes, must be bridged by loans from stores of privately owned capital. As a theoretical remedy the ordinary citizen might say: "Why not compel the rich to lend the difference?" but the bankers' answer would be that the capital to be attached that way would probably be detached from its existing employment in enterprise and would lead to loss of trade, work and incomes all round. The bankers could then show that, though the bridging of a budgetary deficit by means of private loans is not absolutely excluded in principle, the lending must be a voluntary act by the lenders because it is only by leaving them the discretion to decide how much they can afford to lend that the danger of depriving industry of needed capital is to be obviated.

* * *

It is into a context like this that *The Times* correspondent's reference to "nervous capital" can be fitted. It is intended to convey the idea that there is some capital about which is at present doing nothing—its nervousness is a synonym for its idleness—and that if

President Roosevelt will stop further expenditure he will cure this capital of its nervousness and transmute its inertia into healthy activity. And when that happens, there will be no need, as the correspondent points out, "to pay the Government's bills in greenbacks."

* * *

This last remark conveys the idea that there is an objection on the part of the Government to paying bills in greenbacks. That may be true in the sense that the Government are nervous about doing it; but if that is so the reason is because they have been made nervous by expert arguments (and may be threats) on the part of the bankers, who are the real objectors to the policy, and who have real and weighty reasons for objecting. Students of high-financial technique do not need to be told that the so-called "nervous capital" referred to is held or controlled by the bankers, if it has any existence. We doubt whether it does exist; but we accept without hesitation the contingent assurance that it will be called into existence if and when the President fulfils the condition on which it is offered to him. The principle underlying that condition is a fundamental one to the bankers; it is that the Government shall leave the business of credit-creation to the Money Monopoly. The offer amounts to saying to the Government: "If you will discontinue spending, we will create sufficient financial credit to cover the sum you have already spent; and the value of our service to you is that it will spare you the necessity of creating financial credit for yourselves." It would be a preposterous offer even if the bankers had agreed to finance the President's future programmes as well as those in operation, for it invites the Government to renounce the right to manufacture money in the name of the people, and thereby to renounce the power of deciding in what quantity and for what purpose money shall be expended in the public interest. All initiative in public policy resides in the power of creating credit; and so long as that power is vested in a private monopoly the destinies of the nation will be moulded to the purposes of the monopoly. The people of the United States, to whom "bosses" of all sorts are familiar phenomena, may be disposed to underestimate the significance of this truth; they may look at it from a practical point of view and say: "Well, the bankers see most of the game, and we've got to trust to their wisdom in the last resort; so it will save a lot of bother if we let them handle the job all through." This doctrine of expedience could be reasonably adopted in certain circumstances; and we ourselves have frequently derided attempts to foment political agitations merely on grounds of abstract justice—agitations which, in their course, were likely to scatter abroad more by-products of concrete injustice than the vaguely-conceived absolute justice would compensate for. But in this case the objective of the money monopoly and the objective of the average citizen are in diametrical opposition. The "higher wisdom" of the monopolist is irrelevant to the issue. The real question is: wisdom for what? If the "what" of the banker and the "what" of the citizen were identical, or at least mutually compatible, then a democracy might tolerate a virtual dictatorship based on a superiority of wisdom. But once let it be realised that the wisdom of the dictators consists in knowing better than the citizens how to give them the opposite of what they want, then the political empowerment of that wisdom is in violent contradiction to the doctrine of expediency. Now the one thing that every citizen wants, and knows that he wants without consulting his neighbours, or reading the newspapers, or listening to the wireless, is something called economic security—that is, the assurance that he and his shall receive in continuity an adequate measure of the necessities of life with scope for enjoying the sensual amenities and spiritual experiences which constitute the fulfilment of living. All his hopes, his calculations and his strivings are bent towards that end; and no sophistries can deprive him of the consciousness of this truth when he retires within him-

self and communes with himself. But over such a man, and his millions of fellows, presides the Money Monopoly, whose end is precisely the opposite, namely to maintain a general condition of economic insecurity as a means of constraining people to engage in prescribed economic task-work of a nature which, in most cases, is uncongenial, and for purposes which are unnecessary, futile or undesirable. The Technocrats have shown that insofar as the United-States population is concerned the resources and equipment of that country are sufficient to afford economic security to every citizen, without lowering the standard of living enjoyed by the rich classes. That security is nowhere attainable in the wide sense above defined; and it should be carefully noted that whenever the reason is asked the answer is invariably based on monetary considerations. Now, since money can be manufactured for nothing, and since money is an effective inducement to get things done, and since the community are united in wanting certain things done, the only problem lies in ascertaining and adopting an appropriate system of distributing monetary inducements among those whose co-operation is necessary to provide the things and those whose co-operation is necessary to divide them—mostly the same people in their dual aspects as producers on the one hand and consumers on the other. Let us repeat that the problem is solely how to distribute money. That problem has been solved technically by Major Douglas, and the fact can be verified by anyone competent to follow his reasoning in *Economic Democracy* and other works by him and his followers. There remains the political part of the problem which is to get the power to distribute money in the way that he has shown to be effective for the common purpose. The case for getting that power lies in the simple fact that in its present hands it has not achieved the common purpose. We have said that the Money Monopoly do not agree with the purpose; but whether they agree or not the mere fact that the purpose has not been achieved is a sufficient reason for the Government to undertake the attempt itself or else to impose on them the duty of administering the new principles of money-distribution. It is antecedently incredible that a community with a united will, and all the physical means of implementing it, should be frustrated by the monetary way of fulfilling it.

* * * President Roosevelt's partial, and, we are afraid, diminishing success, is due to his having tackled the problem of national finance at only one end—the production end. He has overlooked the fact that, for the same reason that what impels a man to produce is his desire to consume, the impulse to economic production proceeds from the consumption end. It is true that the production of a particular stock of goods must precede their consumption; but it is just as true that the consumption of that stock must precede its replenishment, particularly under the present system, which visits the penalties of under-consumption on the producers and thereby drives them, for their own self-preservation, to cut down the production on which the world is many generations past the period when any community had to go slow on consumption for fear of outstripping production: in fact the problem is the reverse, production being held up for fear of outstripping consumption. This grotesque situation is entirely due to the policy and practice of the Money Monopoly, whose system of distributing money automatically expands supply (in terms of cost) beyond demand (in terms of incomes). A brief popular version of the causation of the discrepancy would be to say that whereas costs to be recovered in the consumption market represent plant-charges plus labour charges the money in the consumption market represents labour-charges only. (By labour-charges we mean all payments to persons for services, real or imaginary—i.e., personal incomes). It stands to reason that in the machine age if human beings are forbidden to consume more of the output of their industries than represents the proportion

of their personal energy to the machine-energy engaged in production (and this is becoming a smaller and smaller fraction) they are fated to remain in the same condition of insecurity as afflicted their ancestors. The remedy is plain. It is to distribute money at the consumption end of the process without its being accounted into the costs of the process. It is to translate the earnings of the machines calculated in terms of products into dividends for men and women in equivalent terms of money. There is no difficulty in calculating that equivalence on a national all-in survey and analysis of cost. The one difficulty is to get a Government to see the necessity and to take powers to make the survey and act accordingly.

The Golden Image.

(J. David Stern in *The New Outlook* (New York), quoted from the *Ottawa Citizen* of November 21.)

That this financial prudery on the subject of the dollar's value exists cannot be doubted. In all the interviews of the depression, try to find a single banker, except Frank Vanderlip, admitting that the change in the dollar's value had anything to do with our hard times. They all ignore the subject. In early infancy they were told by their teachers what a dollar is. The bedtime story goes something like this:

The United States Government takes some gold, and puts it in a little box in a safe in Washington. Then it takes a piece of paper, and prints a design on it. The piece of paper is called a dollar, but the real dollar is the gold in the little box. The printed dollar goes into circulation, but any time anyone gets tired of it, and wants the real gold dollar, he takes it to the Treasury, gives it to the nice man at the window, who gets a big key, unlocks the safe, takes out the shiny gold dollar, and gives it in exchange for the paper dollar. That, says dear teacher, is why the American dollar is always sound, and now, little boys and girls, off to dream-land. Sleep tight! What did you say, Johnny? Oh, you want to know why they don't use gold dollars all the time and not have to go to much trouble? That, Johnny, is because gold is soft, and would wear out.

He doesn't even want to debate the matter, any more than he would care to debate his own morals in public. When any "dollar incident" does arise, he runs away, or finds something behind which to hide. That is why, perhaps, that George R. James, member of the Federal Reserve Board, as reported in the *American Banker* of November 28, 1931, declared God had decreed gold always to be the symbol of money, as evidenced by the manner in which the gold supply kept pace with the world's growth.

A Giant Electric Shovel.

Meccano Magazine: December.

A new type of electric shovel, with a dipper capacity of 18 cubic yards, has been produced by the Marion Steam Shovel Co., of Marion, Ohio. It is capable of picking up a 40-passenger bus from the street in front of a four-storey building, swinging it over the roof, and dropping it down the back!

The shovel is completely electrified with the G.E.C. "Ward Leonard" type of shovel equipment, and approximately 3,000 h.p. in electric machinery is involved. The largest motor is an 800 h.p. synchronous machine that drives a four-unit motor-generator set for converting the alternating current power supply into direct current, using a separate generator for each motion of the shovel. This type of drive is claimed to be the most satisfactory for the severe and exacting service for which the shovel was designed.

The use of a counterweight on the hoist motion is a recent development in the design of large stripping shovels that enables the peak demands on the public service lines, and enables a given electrical equipment to handle more spoil.

The shovel of the machine weighs about 1,100 tons and towers to from 75 ft. to 80 ft. above the ground. It can go through a cycle of operations in forty-five seconds; in other words, in less than a minute it can stoop out twenty-seven tons of earth, hoist high enough to clear the bank, swing around to the dumping point, dump, swing back, and lower to the digging point in readiness for another cycle. It could fill an ordinary two-car garage with spoil in three minutes.

Unemployment and Leisure.

The following is the copy of a letter addressed by a correspondent in South Africa to the Rt. Hon. J. C. Smuts at the beginning of October. No reply had been received up to three weeks ago.—Ed.

Sir,—You are made to say in the Press report of your speech last evening on the occasion of the opening of the Colosseum Theatre that the unemployment of to-day was certainly the precursor of leisure, and more in the same strain, notably that the human spirit would be set free for the culture of higher things. It is very encouraging for those of us who are watching carefully the utterances of public men side by side with the march of events, hastening with an ever-increasing velocity to a crisis such as the world has never yet witnessed, to see such an important as well as intelligent statement from the lips of a man so great intellectually as yourself.

I say "intelligent statement" advisedly; for intellectual achievement in one field is no guarantee that an equally high standard will obtain in another, especially in that of economics. Mr. G. Bernard Shaw is an example of some very fantastic results which can ensue from venturing into this somewhat treacherous area. Mr. Shaw's assertion that there is no money problem damns him in this connection if nothing else does. To be even premier dramatist of the world is no qualification to make pronouncements, then, on economic matters. Your own advance from quite recent utterances to those of last evening is remarkably not to say inevitably swift. Yet it had to be; for it is inconceivable that a man of your intellectual calibre, a philosopher of world renown, could remain blind to the truth for long.

Yet one misses the inevitable supplements of statements such as those made at last evening's ceremony. For instance, you say nothing about the sources of the purchasing power necessary to enable the individual to maintain himself in comfort in a leisure state. It is not, one assumes, because you do not know the circumstances which must accompany that state, and therefore one would be grateful to know why the statement was not a complete one.

Should this assumption be incorrect and you do not know the technique alluded to, but that your incomplete assertion was a blinding flash of the philosopher's vision into the inevitable future, I can only place my humble services at your disposal for the indicating of the whereabouts from which information about the technique alluded to can be obtained.—Yours very truly,
E. CHAS SKRAT.

Johannesburg, October 5, 1933.

NOTICE.

The s.s. "Maloja," on which Major Douglas is travelling, reaches Fremantle, January 16th; Adelaide, January 20th; Melbourne, January 22nd; Sydney, January 25th. Major Douglas will broadcast from Sydney on the 25th or 26th January. He will reach Auckland on the 30th January, and leave after approximately six weeks for Vancouver or San Francisco. Mail days for Australia: Friday, December 29th; January 12th; January 26th; February 9th and February 23rd.

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.

Social Credit and Religion.

Recent correspondence has revealed the usual snag in controversies, namely the lack of precision in the terms used. For example, no definite answers are contained, even implicitly, to such questions as follows:—

- What is Christian truth?
- What are Christian virtues?
- What are Christian values?

Questions of another order also remain unanswered, namely:—

- What is the definition of a "Christian"?
- What proportion of the population are Christians as defined?
- What, if any, is the characteristic of the Christian which distinguishes him from the non-Christian?
- A third order of questions would run something like this:—

In what frame of reference, if any, is it relevant to assess the relative values of the religious or philosophical beliefs of Major Douglas's supporters? One of the consequences of the absence of definite answers to these questions is a confusion of counsels; some of them being relevant to the problem of overcoming resistance to Social Credit and some of them relevant to the problem of ordering the Social Credit State when the resistance is overcome. That is to say, the problem of what to do in the present is intermixed with that of what to do in the future; or, to put it another way, what to do if there is a bankers' blockade and what to do if initiative is unfettered.

In this atmosphere of confusion you get the grotesque result that a combination of Social-Credit theory with almost any brand of religious and philosophical doctrine can be advocated with an equal show of plausibility. The citation of a few of these will be useful:—

- Douglas plus Christianity.
- Douglas plus Nietzscheism.
- Douglas plus Positivism.
- Douglas plus Psychoanalytical Trinitarianism (Freud, Adler, and Jung).
- Douglas plus Buddhism, Confucianism, etc., etc., etc.

A few weeks ago a reviewer declared in this journal that Social-Creditors were Nietzscheans, although "few of them were aware of it." On the same line of reasoning it may as truthfully be said that Social-Creditors are believers in each of the "isms" enumerated above and many other "isms" indicated thereby. The general conclusion is that Social-Creditors are, at one and the same time, repositories of all the wisdoms, or aspects of wisdom, enshrined in these numerous systems of thought; in a word, that the creed of the Social-Creditor is something akin to pantheism, which might just as well be called atheism.

We need not quarrel with this conclusion, because it is the most tremendous tribute to the dynamic power and the beneficent virtue of what one is accustomed to refer to as "the philosophy of Social Credit."

But such a tribute has no directive or illuminative relevance to the concrete problem before the Social Credit Movement in either of its above forms. That is to say, as between the problem of educating people in the technical principles and political implications of the Douglas Theorem on the one hand, and the shaping of political action against the banking monopoly on the other.

Referring to the proposition that Douglasism and Nietzscheism are complementary philosophies (although few Social-Creditors know it!) and the more recent proposition that Douglas and Christianity are also complementary, the logical conclusion is that Nietzscheism and Christianity are likewise complementary (although few Christians know it!). It would be interesting to hear how this could be sustained in view of the fact that Nietzsche's main thesis was that Christian values amounted collectively to "slave morality." He took the so-called Christian virtues, one by one (love-thy-

neighbour, meekness, submissiveness, etc.) and attacked them severally, concluding with a general indictment which he embodied in the exclamatory phrase: "Bad air! bad air!" From this angle of analysis the Christian-Nietzschean apologist is committed to the proposition that a cesspool is a rose-bed (without knowing it!).

An older illustration of this was afforded by Justin Martyr's claiming Socrates as a Christian (without knowing it!) on the ground that that ancient philosopher "died for the truth." If this claim is analysed it will appear that Justin seeks to have it both ways. He is saying that men who disown or ignore Christianity, and yet who prove themselves good men, are Christians all the same; their goodness makes them Christians. Yet he would also say of declared Christians who are good men that they are good because they are Christians. Was Socrates a Christian because he was good, or good because he was a Christian (without knowing it!)? The logical conclusion from this brand of confused thinking must be that everybody is everybody "without knowing it"—which is probably true, though not helpful! For instance, we are told in the Bible that the heart of man is "deceitful above all things and desperately wicked"—an assertion which, we seem to recollect, Professor Freud went a long way to sustain with a wealth of unsavoury evidence.

But all this is not to say that if some measure of precision is brought into the formulation of the Christian point of view there cannot be a cogent basis for attributing a specific power to Christian thought and activity.

Perhaps the first step towards elucidating the matter is to state Nietzsche's criticism of Christian values as a comprehensive attack on the doctrine of non-resistance. If we apply this to the problem of the wage and price system which characterises the present situation it is obvious that if the whole world were Christianised in the above sense, and if it allowed the bankers to get away with their policy, the non-resistance would probably smash the banking system up instantly. Students of the technique of Social Credit know very well that the ultimate, automatic result of the bankers' unchecked pursuit of their policy through the wage and price system would be the total extinction of wages, salaries and dividends; and since these are the only present sources of income for the maintenance of life, the result would be the extinction of life itself. But merely to state this sequence of cause and effect is to reveal the fact that non-resistance cannot be raised to the heroic level necessary to cause the collapse. Whether it is considered "good" or "bad" to resist the bankers' policy, there is no possible doubt that resistance is certain to be offered, and in a progressively intensified form as time goes on. Christian virtues will be ruled out of practical reckoning.

Speaking of time brings us to the crux of the problem that we are all facing. The whole difficulty of agreeing on a settled Social-Credit policy of action lies in the fact that the time available for action is incalculable. Estimates vary from periods measured in months to periods measured in years. The one thing on which all Social-Creditors may be assumed to agree is that a period of one or two years sets the utmost limit to the survival of banking theory and practice in their present form.

Whether an economic or military cataclysm ushers in Social Credit, or whether Social Credit is a matter as the last means of averting the cataclysm is a matter of speculation; but granted the above time-limit it is certain that either event will take place long before ordinary methods of educational propaganda can mobilise a sufficient force of public opinion to soften Pharaoh's heart. Major Douglas recently said of such propaganda that it could be "left to run under its own steam," by which he meant, and said, that the immediate problem was no longer how to speed up intellectual conversions to the Social-Credit Theorem or moral conversions to the Social-Credit philosophy, but how to direct to the best effect the activities of those already converted in the sphere of political action. This

The Green Shirts.

NOTES FROM THE GENERAL SECRETARY.

Just a year ago the first Green Shirt notes appeared in THE NEW AGE (December 22, 1932).

Forty Green Shirts attended Lord Beaverbrook's meeting at Barnet on December 3. Our report says:—

"... At the inner entrance to the hall our way was blocked for a moment while a group of stewards gathered round in sudden consultation. A police-inspector approached the Section-Leader in charge with 'Have you boys come to create trouble?' to which the Leader replied, 'No! only to ask questions, if questions are allowed.' The inspector smiled and gave the O.K.

"Apart from the fact that Green Shirts have not been seen much in Barnet, our arrival marching in step—'Left, right, left, right, halt!'—charged the atmosphere.

"The stewards allotted us the last three rows. It was then only 7.50, but the bulk of the audience had taken their seats. Nearly every steward came to ask who we were. Each was handed one of our green folders 'Who are the Green Shirts?' Then more stewards were sent up to see the Section-Leader in charge. Two spotted *Attack*, and bought the paper (after it had been pointed out that our orders were not to sell inside the hall). A *Daily Express* reporter came up and jotted down some notes.

"... When Lord Beaverbrook sat down after giving his address, the appointed G.S. spokesman stood up, and in a loud, deep voice that megaphoned out from under the gallery said: 'I speak on behalf of the Green Shirt Movement for Social Credit (pause); Lord Beaverbrook has said a great deal to-night about war. We Green Shirts have listened carefully for a reasoned analysis of the cause of modern warfare. We have listened in vain. Does Lord Beaverbrook agree with the Green Shirts that the cause of war is the insane struggle for export markets, and does he agree that the cause of that struggle is an obsolete financial system that is totally unsuited to this present Age of Plenty?'

"The atmosphere seemed to quicken and tighten. Lord Beaverbrook quickly answered, and in doing so misinterpreted what had been asked. The second part of the question, according to him, was 'did he believe in the abolition of foreign markets?' (!)

"Our spokesman stood up 'on a point of order,' but was ignored. Stewards and others called to him to 'shout louder!' As this was no use he marched down to the platform and stood 'at ease' while Lord Beaverbrook replied to another question. The G.S. spokesman then handed up a note stating the question that had been asked verbally, and pointed out that he had apparently been misunderstood by the speaker.

"Lord Beaverbrook read the note, and said that two questions already asked verbally were now handed up in writing. His answers, he said, were as before.

"By this time another Green Shirt was on his way down the aisle as the first man was returning to his place. There was a good deal of hubbub (mainly from half a dozen rowdy Fascists). This Green Shirt halted near the platform and said: 'Mr. Chairman, I wish to point out that your first duty is to maintain order in this meeting!' That evoked applause. He then followed up with a question on the National Dividend. Lord Beaverbrook replied by throwing up both arms and shouting, 'I simply love dividends!'

"At this point the conductor came on, and the orchestra struck up 'The King.' The time was not then 9.30 p.m. The meeting had only started about 8.25.

"Before Lord Beaverbrook came on an official asked the Section-Leader in charge if he could have a word with him. On opening our green folder and seeing the words 'Douglas Social Credit,' this official said: 'Good luck,

view is illustrated by the story in the Old Testament of Gideon's army, where, on the eve of the battle, far from combing the country for new recruits, he disbanded most of his regulars and sent them home. Intensive Social-Credit recruiting campaigns can be as much an embarrassment as a help from this point of view, because although the assent of the recruits to the objective is helpful, their advice on how to further it is mostly not. The majority of them would have the Movement equipped with the electoral guns of Democracy, oblivious of the fact that the bankers have got possession of all the ammunition. And of that majority most of them are unwilling to believe this because it logically involves the conclusion that they must take part (or try to stimulate others to do so) in forms of political pressure which they have been accustomed to regard as breaches of good taste and good morals. They are entitled to act upon their views, but if types of this kind were to flood into the Movement and succeeded by weight of numbers in imposing a policy of peaceful persuasion on the Movement the net result would be the peaceful submission of the Movement. It is true that masses of votes and masses of signatures have played a perceptible part in the past in securing reforms, but it should never be forgotten that in every case the Money Power was, at best, neutral to the issue being decided, or, at worst, engineering the "reform." The victories were catspaw victories—and that is why the reformers were able to win them more or less "constitutionally."

The Churches, as such, can only go so far as to endorse the rightness of the Social Credit proposals: they cannot consistently prescribe methods of political pressure other than those regarded as "constitutional." As an educative force within the Social Credit Movement they can contribute something, but as a directive force placed over the Movement they would embarrass it without and within.

Cross-Plane Puzzle?

Propounded by H. Warren.

- A buys a bicycle-wheel for £1 from B.
- B buys another wheel from C.
- C buys the framework of a bicycle from D.
- D now wants to buy a bicycle.
- A, B and C severally own the components of a complete bicycle.
- They want, collectively, £3.
- D has £1.
- What about it?

Sabotage.

(Editorial, "Gleanings in Bee Culture," U.S.A., November, 1933.)

"The idea of making fertilizer out of little pigs, hoping thereby to raise the price of pork, feeding the cows less to raise the price of milk, or destroying some of our farm crops when many are in want, is too new in modern economics for many of us to swallow whole."

OUT ON THE STREET.

"From 'The Golden Age' (New York): How many evictions for non-payment of rent do you suppose there were in New York City in the first ten months of 1932? You would never guess. There were 259,602, representing well over 1,000,000 people. Can you fathom all the misery that is back of these figures?"—*New Era* (Sydney, September 28, 1933).

FORTHCOMING MEETINGS.

The Social Credit Movement (West Norwood Branch) hopes to adopt Constitution, Rules, and a Council on January 11, at St. Luke's Parish Hall (Room 8), while Lord Tavistock visits Brixton, Effra Road, Unitarian Church, January 18, and Roysell Park, Tulse Hill, February 7. This difficult parliamentary constituency is being organised for Social Credit (Douglas). Hon. Secretary's address is 119, Auckland Hill, S.E.27.

man! I've just come back from Australia and New Zealand, where they're crazy over this Douglas scheme! I'm glad you've come here. Good luck to you!

"As we fell in outside and marched off the crowd cheered. I was told afterwards by an outsider that our presence created a lot of 'wind up' in the audience at first, but there was 'a wonderful reaction' in our favour when nothing happened but a display of 'fine discipline and orderliness.'"

A full Section of Green Shirts attended the meeting organised by the Bank Officers' Guild, at which Lord Beaverbrook was the speaker, on December 13 at the Central Hall, Westminster. This meeting was to protest against "the action of certain bank directorates in arbitrarily reducing the scales of salaries of their staffs."

The chairman (Mr. R. T. Evans, M.P.) after alluding to the destruction of food and other commodities, while millions of people had to go short, said, "And within three years we shall have to have a tremendous opposition to the banking system and its controllers. What are you going to do about it? *What will you do?*"

Voice from the Audience: "Nothing!"

Chairman: "Yes, that is right—*nothing* will be done, unless someone develops organisation. Who will do this?"

Voice from the Audience: "The Green Shirts!"

Our report says:—

"... There was an immediate stir in the audience, and many eyes turned in our direction. Events then ran as follows:—

"Lord Beaverbrook made his speech and sat down. Applause. Our spokesman, Staff Section-Leader Lewis, was on his feet instantly—'Mr. Chairman,' he began. The Chairman pointed to another man in front, and said (to Lewis): 'You can have your question, but it will be the second one.' Lewis sat down. First question was asked, and Lord Beaverbrook answered it at length. After that, Lewis stood up again.

"Lewis: 'Mr. Chairman, I wish to ask Lord Beaverbrook a question on behalf of the Green Shirt Movement for Douglas Social Credit; does—'

"Lord Beaverbrook (springing to his feet): 'Oh, it's these Douglas Credit people with their questions again!' (Lewis: 'Mr. Chairman, before I ask my question, will you please request Lord Beaverbrook to refrain from interruptions?')—'I've answered them time and time again, and I do think that at a meeting of this description, organised for the Bank Officers' Guild, an answer is not necessary!'

"Chairman (taking cue from Lord Beaverbrook) repeated the last few words, and added—'and as Chairman I rule this question' (which had not yet been put!) 'out of order at this meeting.'

"In thus wriggling out of answering a question that had not even been asked (1) Lord Beaverbrook made a poor impression. He must have felt it, for in 'tipping the wink' to the Chairman (as reported above) Lord Beaverbrook spoke with face averted, and was very obviously 'rattled.'

"However, we were determined to register the fact of asking a question, and a Green Shirt went down to the platform with a written question, which was handed up to the Chairman. It was not answered."

H. T. W.

BANKRUPTCIES IN 1932.

In the Report of bankruptcies during 1932, it transpires that farmers and graziers head the list with 600 cases, as against 497 in 1931. Next come grocers (368) and then builders (353). At the bottom of the list come—don't be surprised (1)—bankers—with a score of 0.

Fascism and Social Credit.

I.

Questions Addressed to the National H.Q. of the British Union of Fascists, by the Southampton Douglas Social Credit Association.

1. Do you recognise that the purpose of an economic system should be to provide the community with goods and services as, when and where they are required by its individual members, and that the purpose of an economic system is not to "provide work" nor to be an instrument of Government by means of which a minority may order the lives of the majority?

2. Do you agree that "the State" is the sum total of its individual members, that to the extent to which the individual is free the State is a Free State, and that to the extent to which the individual is dominated and has freedom withheld from him, the State is a Slave State?

3. Do you or do you not recognise that modern productive methods make it possible for all to have plenty—that no "problem of production" exists, only a problem of distribution?

4. Do you consider it is desirable that all should have plenty if the goods and services can be produced and distributed?

5. With what points, if any, in the Douglas Social Credit analysis do you disagree? Please give reasoned argument for disagreement under the following headings:—

a That the control of the monetary system is in the hands of a highly centralised private monopoly, and that by its control of money and credit this monopoly controls human activity.

b That production is limited by money supply whereas money should be governed by production.

c That the financial system operates in a manner resulting in the community never being able to purchase its production, and this fundamental defect accounts for the situation which exists—poverty amidst plenty, tariffs, breakdown of trade, etc.

d That the monetary system takes no account of the process by which men are being progressively released from the necessity to toil by the application of technical processes.

6. What do you consider the fallacy, if any, in the Just Price proposals advocated by the Social Credit Movement.

7. If human labour is to be progressively eliminated from production, will it not be necessary to distribute incomes by some means other than wages, salaries, etc., paid for work done? If not, why not?

8. Do you consider the distribution of a National Dividend to be technically unsound? If so, why?

9. Do you consider the National Dividend as supplementary to earned incomes, if any, a desirable measure to adopt? If not, why not?

10. What are the specific proposals to which a B.U.F. Government would give effect in order to deal with the necessary reform of the monetary system?

Reply by the British Union of Fascists, King's Road, Sloane Square, S.W.3.

Dear Sir,—We were very interested to receive your Questionnaire, our reply to which we now enclose. You will, I believe, be surprised to find on how many points we fundamentally agree. In fact, we are very much interested in the suggestions you make that it is possible for the Banks to create unlimited credit at no expense to themselves. This would, of course, be an invaluable asset to our own financial proposals, and we should be glad of a reasoned explanation of how this can be done. If you should care for a debate on the subject, no doubt this could be arranged.

You certainly have our full approval to the publication of any part of our replies should you desire to do so.

(Signed.) A. RAVEN THOMSON.
Research Department.

REPLY TO QUESTIONNAIRE.

1. We agree that an economic system should exist to provide the community with goods and services as required, not merely to provide employment alone. Actually, however, Government must be endowed with sufficient power to effect this proper functioning of the economic system.

2. Following the principle of Smutts' philosophy of Social Credit, will, of course, realise that although industrial prosperity might be restored by this means, a large measure of financial assistance would have to be given to manufacturers to enable them to pay higher wage and salary rates, before the enhanced purchasing power returned to them in the form of increased orders. The finance to

greater contentment and peace of mind than in the present chaos of unrestricted individual competition.

3. We agree that production has far outstripped consumption, but think that this contention of general potential prosperity is in danger of being exaggerated.

4. Certainly the standard of life of the people should be raised, as science effects an advance in productive methods.

5. (a) We agree that the privately-owned banks have far too much power over the present economic system, and must be brought under strict governmental control.

(b) This is partly true, but we consider that production is really limited by low wage rates, denying consuming power to the greater part of the community.

(c) We do not agree that the financial system as such must necessarily operate in this manner. We contend that low wage rates deny consumption to those that most need goods, while excessive reward is granted to capital.

The result of this is that there is excessive saving to gain a share or larger share in the reward of capital, and many big capitalists are actually incapable of consuming even a small fraction of their inflated incomes.

(d) As long as many people are still without sufficient of the necessities of life, not to speak of the luxuries, we consider this tendency much exaggerated. After Fascism has rebuilt the slums and supplied a much higher standard of life for all, then we will consider cutting down the hours of work, earlier pensions, etc. The monetary system in itself has little bearing on the matter.

6. The price regulation methods of Major Douglas would seem to be unduly complicated and difficult of operation. Does it not actually work out in very much the same way as the increased wages suggested by Fascism? By the Douglas system the bank gives credit to the selling or distributive section of an industry direct, whereas under Fascism the banks will give this same credit to the productive side of the industry to finance higher wage scales. It seems to us immaterial where the credit is actually introduced as long as it takes effect in a higher purchasing power for the community, while our system is much more in line with orthodox methods established and well-known to the general public.

7. We prefer to discuss immediate problems, as we are essentially realists: the time when machines will work unattended is still the dream of the sluggard. Meantime, we could meet a possible slacking of demand for labour by reduced hours, retirement schemes, and so forth.

8. It might not be theoretically impossible to distribute a dividend, although we are highly dubious of the arbitrary creation and destruction of money on a large scale for consumption purchases; we are convinced, however, that any sudden adoption of a substantial national dividend would have incalculable and probably catastrophic effects upon the present chaotic and highly unstable individualist economic system. In fact, only the stable controlled Corporate State of Fascism could actually put a National Dividend into effect.

9. The Fascist Corporate State would, however, refuse to distribute a National Dividend to all and sundry for good ethical reasons. Fascism advances the ideal of service to the state, or the community, as a measure of human values, and is prepared to pay a handsome reward to all who give service, however humble, to further the communal purpose. On the other hand, Fascism considers that a large dividend paid by the community to all, regardless of service, would place a premium upon anti-social behaviour and sheer laziness to the inevitable detriment of the national character and the national vigour.

10. It will undoubtedly be necessary to place a much larger amount of currency in circulation to finance the enhanced standard of life in the Corporate State. It is obviously insufficient, however, merely to inflate currency, through what means this additional currency is to be put into circulation. The suggestion of Fascism is that this should be effected by a general raising of wages and salaries throughout industry. Speculation being a criminal offence in the Fascist State, prices would not be permitted to be affected to an equal degree, but only in so far as they were covered by the higher wage scales. A higher purchasing power would, therefore be introduced, industry would result in a larger output would result in a curtailment of costs, further retarding the price rise. Students of Douglas Social Credit, will, of course, realise that although industrial prosperity might be restored by this means, a large measure of financial assistance would have to be given to manufacturers to enable them to pay higher wage and salary rates, before the enhanced purchasing power returned to them in the form of increased orders. The finance to

bridge this time lag must come from the banks, who at present control £2,000,000,000 of the public's money. They would be expected to lend this money to the manufacturers to enable them to pay at the higher standard until such time as industry recovered. Industry would then be in a position to repay this money from the proceeds of restored prosperity. Banking must in the interests of the community turn its financial resources from the encouragement of production to the encouragement of consumption to meet the needs of a new scientific age, when the problem of distribution overshadows that of production.

The Films.

"Service." Metro-Goldwyn-Mayer Production. Directed by Clarence Brown. Empire.

I did not see the stage play on which this picture is based, but I imagine that anyone who did and liked it will like the screen version, which belongs more to the photo-play than to the cinema. It is understandable that an American producer should have been attracted by the theme, with its sentimental glorification of large-scale commerce and its slave morality. Benton, an employee of forty years' service, accepts as a matter of course his dismissal in the name of economy, although knowing his employer to have a considerable personal fortune; the tragedy of unemployment is softened when the employer condescends to give him notice in person; and he continues to feel a sentimental attachment to the firm that has thrown him on the scrap heap. Excellent dope for the working classes, who will no doubt also marvel at the spectacle of Gabriel Service giving his wife twenty-five pounds for an afternoon's bridge just after he has reduced the running costs of his store by sacking a dozen men.

The film has some quite good human touches, and the behind-the-scenes atmosphere of a great department store is successfully reproduced. So, on the whole, is the London atmosphere, although it was a bad production error to show a contemporary London exclusively served by omnibuses of the most unmistakable pre-war vintage. The cast is mainly English, while the American players, including Lewis Stone, Lionel Barrymore, and Phillips Holmes, achieve an accent that blends remarkably well with that of their colleagues from this side of the Atlantic.

A good opportunity was lost in making this film. The screen could have expanded and embroidered on the stage; instead of which the camera has merely recorded the play. The result is tolerably entertaining. Incidentally, an excellent character sketch of a charwoman is given by an actress not mentioned on the programme, whose name, I believe, is Eily Malyon.

"International House." Paramount Production. Directed by Edward Sutherland. General Release.

You may be able to find a clue to this inconsequential medley, but I never quite grasped what it is all about, save that it combines a thin plot concerning a new television device with knock-about farce and dance effects. The last were much better done in "42nd Street." The film gives the appearance of having been made up at haphazard out of rejected portions of a dozen other pictures, and has the distinction of exhibiting Peggy Hopkins Joyce, as herself.

"Channel Crossing." Gaumont-British Production. Directed by Milton Rosmer. General Release.

In this picture, as in "Rome Express" and "Red Wagon," the British industry shows that the technical resources at its disposal are now as good as those of the studios of any other country, and that it has also learnt to make the best of them. Direction, editing, and photography of "Channel Crossing" are excellent, and if the picture had confined itself to the impersonal presentation of the Dover-Calais journey, the result would have been a first-class documentary film, which none of our commercial studios has yet made or tried to make. Unfortunately, the camera has been saddled with a banal plot, seasoned with transparent absurdities, and with mediocre acting.

The hero—or villain, if you like—is that very popular contemporary figure, the swindling millionaire whose greatness is measured by the magnitude of his frauds, and who commits suicide in preference to going to prison. Matheson Lang wallows in the part, and the repeated close-ups exhibiting him in a frozen pose and an ex-Kaiser attitude are much funnier than the deliberate comic relief. Presumably, the magnates of Shephard's Bush know why it was considered necessary to import Constance Cummings for the principal female role, when there are plenty of native actresses who can be relied on for an equally undistinguished impersonation. The reason for the selection of

Anthony Bushell must remain a secret between the casting director and his maker.

But "Channel Crossing" is well worth seeing for the sake of its technical excellence, in which respect it is by way of being a landmark.

"Doss House."

Owing to a lapse on my part, it appeared as though the name of the general release commended last week was "Sound City Production." This, of course, is the name of the makers of "Doss House," to which I desired to draw attention. The film is still to be seen, and readers should ascertain when and where it is to be shown in their neighbourhood.

DAVID OCKHAM.

Music.

B.B.C. Symphony Concerts, Queen's Hall, November 29, December 6, 13.

At the seventh of these concerts we were given a novelty in the shape of the first performance in England of the original version of Bruckner's unfinished Symphony No. 9, in D minor. The work is generally performed in a much edited version by Ferdinand Loewe, but we were told that last year the Committee of the Internationale Bruckner Gesellschaft gave a semi-private performance of the two versions and unanimously decided that "the original far surpassed the Loewe version by the splendour of its orchestral colouring and the power of its dynamic contrasts," and that "the two versions differed so vastly in spirit that they might be said to belong to different worlds." I do not know the Loewe edition, but I can fully believe the latter half of the above statement, and I can only say that the world of Bruckner is one that I should not ordinarily care to inhabit for more than a very brief period. One feels that Mr. Edwin Evans is absolutely justified when he says that Bruckner is one of those composers who do not "export," and it is exceedingly difficult to understand how the Austrians can bring themselves to regard Bruckner as a symphonic rival to Brahms. Occasionally we find a proportion of formal devices that are more or less mechanically manipulated by Brahms, but on the whole his symphonies convey a sense of mastery and power as do those of Elgar and Sibelius to a still greater degree, or even Tchaikovsky at his best.

With Bruckner, however, one was conscious for the greater part of the symphony of an extraordinary mixture of almost painful sincerity, a pompous portentousness that approximated far more to grandiosity than to grandeur, and a disconcerting hesitancy and general lack of resource both in form and orchestration.

I was unable to detect any originality in the ideas which were largely quasi-Wagnerian, while the inordinate amount of repetition was aggravated by his maddening use of the silent pause. In the hands of people who know what they are doing, such as Beethoven, who generally follows his pauses by complete contrast, this device can be extremely effective provided it is used in moderation, but Bruckner, unfortunately, defeats his object which, presumably, is to arrest attention, by continuing with precisely the same substance as before. The net result of this symphony was unmitigated boredom and I doubt if it gained many converts, though it is only fair to add that the performance under the direction of Dr. Boult was uniformly pedestrian and uncertain. But it is unlikely that Sir Thomas Beecham himself could infuse more than a semblance of life into such a deflated gas-bag.

The programme included a heavy-handed attempt at Mendelssohn's gossamer "Midsummer Night's Dream" Overture, and a sparkling display by Cortot in Beethoven's Concerto No. 1, in C major (actually No. 2, in chronological order).

At the eighth Symphony concert on December 6, the outstanding event was Sibelius's rarely performed Symphony No. 4, which afforded the greatest possible contrast to Bruckner.

I can understand anyone not liking this music, but I cannot understand how anyone could deny that here we have a mind of phenomenal power and individuality expressing the maximum of meaning with the minimum of canvas. With a very modest orchestra Sibelius succeeds in saying more in two pages than Bruckner in twenty, and the four movements are far shorter than those of an ordinary symphony. With Sibelius, in my opinion, it is not so much the idiom that is difficult to grasp, but the form, which dispenses with so much that has hitherto been considered de rigueur from an academic standpoint. I, for one, do not pretend to have fully assimilated this work at a single hearing, but again the performance under Sir Henry Wood was tentative and unconvincing, and it is to be hoped that

the greatest Sibelius interpreter, whose name I need hardly mention once more, will give us an authoritative account of the symphony as soon as his multitudinous duties permit. The programme included such well worn favourites as "The Flying Dutchman," Schumann's A minor Concerto (with Myra Hess giving her thousand and first rendering of it—at least, so one would imagine from the number of times her name has been associated with it during the last few decades), and Strauss's "Also sprach Zarathustra."

The ninth B.B.C. Symphony concert on December 13 was devoted to Beethoven's Mass in D which, we were told, is generally considered to be one of the highest peaks in accompanied religious choral music. This may be true, but the general level of invention is much below the unapproached B minor, while the whole attitude of the composer seems hardly calculated to produce a work of the highest order in this genre, for the underlying motive appears to be dramatic rather than devotional or spiritual. The choral writing is ungrateful and unvoiced in places, and some of the best moments are to be found in the purely orchestral sections; although undeniably beautiful and moving, the interest is intermittent, and the work is unequal, the conclusion being definitely weak.

The orchestra and chorus under Dr. Boult did their best, but one felt that a few more rehearsals were called for, and there was a deal too much shouting instead of singing. The soloists, Adelheid Armhold, Margaret Balfour, Parry Jones, and Keith Falkner, sang admirably individually, and rather less so collectively.

Eileen Joyce, B.B.C. December 7.

This excellent young pianist confirmed one's previous impression of her playing and gave a splendid performance of Dohnanyi's delightful "Variations on a Nursery Tune," Op. 25. Her playing was exemplary throughout in its crispness, clarity, rhythmic feeling, and general musical understanding, and she was most sympathetically accompanied by a section of the B.B.C. orchestra under Joseph Lewis. The work itself is a fine example of variation form, and despite allusions to other composers (Elgar, Rachmaninoff, Roger-Ducasse, and Debussy) which may have been deliberate, the composer's style is definitely his own and a very attractive one, the balance between piano and orchestra being well held, and the piano writing, as can be imagined, is first rate.

Later Miss Joyce played brilliantly some Scriabin, Paganini's scintillating "En Route," and a new piece by Edward Vidal, "Northern Lights" which, though rather MacDowellian in places, was agreeably melodic as well as displaying sensitiveness to harmonic colour, and created a very favourable impression.

Incidentally, Miss Joyce's second record (Parlophone 11239) is as good as her first, and her performances of Debussy's Toccata and Moszkowski's Valse in E major could hardly be bettered in their combination of technical command and musical feeling. The latter piece is banal in essence and can only be redeemed by superlative playing, which it certainly receives from Miss Joyce, who accords it a truly Rachmaninoffian rubato and élan throughout. The orchestra gave a highly creditable reading of Smetana's "Bohemian Woods and Fields," in which Mr. Lewis obviously enjoyed himself, and although the work evokes the wrath of many critics, I insist on repeating that it is rattling good fun, though a trifle too long.

CLINTON GRAY-FISK.

The Slum Problem.

Now that slum-clearance is the political fashion the stream of books on this perennial subject threatens to become a spate. Sir E. D. Simon's latest volume* is written with the authority deriving from his having had practical experience of Housing, both technical and financial. For he is a qualified engineer, was chairman for five years of the Manchester Housing Committee, as well as Parliamentary Secretary to the Ministry of Health in 1929.

"The main object of this book," he tells us, "has been to show that Sir Hilton Young's policy is wrong—wrong in its assumptions about the nature of the housing problem, wrong in its action to stop the building of houses by local authorities, wrong in its proposals for pushing ahead vigorously with slum-clearance now." Sir Ernest correctly adverts what he calls the present Minister of Health's "posterous suggestion" that the slums could be cleared in five years by dealing with 12,000 houses a year. He quotes the finding of the Special Committee of the National Housing and Townplanning Council of 1928: that in England and Wales alone there are over 1,000,000 houses below a satis-

* "The Anti-Slum Campaign." By Sir E. D. Simon. (Longman's. 2s. 6d. net.)

factory standard, and 2,000,000 which are seriously overcrowded; and that to attain the standard of a separate dwelling (not meaning a separate house) for each family, we need 1,750,000 more in the next 20 years, apart from any re-housing or slum-clearance activities. He is emphatic that no existing property should be pulled-down unless it is so bad that its continued existence is intolerable. But once a separate dwelling for each family is achieved, then only should slum-clearance proceed with all possible speed.

Statistics can, of course, be made to support the most absurd contentions. Yet the most obvious aspect of the slum-problem is not the bad condition of the dwellings but the overcrowding in them. The 1931 census showed that in London alone nearly 145,000 families were living in one room, and over 255,000 families in two rooms. In addition, the London M.O.H. has said that about 120,000 persons languish in some 30,000 insanitary underground dwellings. Our author estimates that there are probably 4,000,000 dwellings which should be replaced by new ones before the working-class population of this country will be satisfactorily housed on the "Manchester basis." That statement illustrates the wide divergence between the opinion of this Liberal housing expert and that of the present Tory Minister of Health on a problem of which its existence is a disgrace to a civilised and Christian State.

Since the Armistice over 2,000,000 dwellings have been built by local authorities and private enterprise. Yet this increase in the number of dwellings has not kept pace with the abnormal and unexpected increase in the number of families. There are actually more "surplus" families now than there were in 1921.

Those new dwellings have all been so expensive to build as to be beyond the reach of the lower-paid workers, who are consequently still in the slums. Mere re-housing is therefore not enough. The natural increase of population, with its correlative growth in the number of families, calls for something more than the mere replacement of an old dwelling by a new one.

The old question at once arises: Where is the money to come from? While aware of the extravagance of the several Subsidy Acts, Sir Ernest unfortunately has nothing fresh to add on the financial side of the problem; but postulates that private enterprise, local authorities, and public utility societies must carry on business as usual. Another possibility would be the formation of a National Housing Board that would "borrow a large sum of money, at a low rate of interest, with the help of a Government guarantee."

And so we land in the bank-parlour as usual. Which leads one to ask why our controllers of Credit are now willing to finance slum-clearance after at least 50 years of stony neglect? The answer is that since "the distant scene" of foreign investment is not so rosy as it once was, our Money Monopolists are cautiously looking "one step nearer home. The banks, the insurance companies and the building societies during trade-stagnation have accumulated more money than they know what to do with," their funds are at last being marshalled for use in slum-clearance. This clearly pious work chimes with the testimony of Lord Snowden, who has assured us that the Bank of England is "the greatest moral authority in the world." Our great moralists, then, having badly burnt their fingers in granting long-term loans in all ends of the earth, are now deeming it better to be content with a "small" but easily collected rate of interest at home than risk losing a "big" rate abroad that might need battleships for collecting it. Be that as it may, there will be pickings for our makers of building-materials (vide the sharp rise in their prices since slum-clearance was put on the Westminster carpet); for building contractors, architects, site-owners, and so forth. Certainly it is all to the good that purchasing power is thereby circulated. But that should not blind us to the fact that prime costs having automatically increased, the rents of the dwellings that are to replace slums will thus be proportionately higher.

This political fumbling with elementary economics on the part of experts and politicians is all the more exasperating to those who know that the "immoral" Douglas remedy with its contingent price-regulation could abolish every slum in the land and at the same time halve the "economic rent" that must be charged under the methods now encouraged by the moralising Credit Monopoly. Our author takes for granted the continuance of that Monopoly which is already developing cracks on its structure. It is easy to foresee that it will itself have reached a state of slumdom before the last slum dwelling is abolished.

There is an aspect of this slum-clearance stunt that has perhaps not been fully explored. Instead of building six-to-eight-storey blocks of tenements on expensive sites in the

London area, why not build small houses in the "satellite towns" beyond the "green belt" envisaged by our Regional Planners? Land costing, say, £5,000 per acre in town adds needlessly to the "economic" rents. Moreover, a tenement dwelling costs at present at least £100 more than a dwelling having the same floor area. Land in the country can be compulsorily acquired under the existing Acts at a fraction of the cost of the town-sites. Hence the "saving" on these two items could be utilised to subsidise the cost of transporting the new tenants to their work in town. Subsidising transport might be less costly than the usual method of subsidising building under the several post-war Acts. Actuarial computation should determine the feasibility or otherwise of this suggestion. The time "wasted" in travelling would be offset by the shorter hours of work that is the trend of the age. Besides, the "saving" in medical services, due to the more healthy conditions of living in the country, is incalculable though obvious.

WILLIAM BELL, A.R.I.B.A. (Ret'd.).

LETTERS TO THE EDITOR.

"A + B" AND "CONTINUOUS PROCESS."

Sir,—I wish that Mr. Coleman had indeed investigated the various departmental ledgers of his single productive organisation in order to display the alleged deficiency of money. In my opinion he would not have found it, though his efforts to prove that he had and mine to prove that he hadn't might merely take us back to our starting point and over the old ground.

Apparently it will surprise Mr. Coleman to know that I am in accord with the Social Creditor's requirement that consumers should be able to purchase "the goods and services which they want here and now" up to the limit of the industrial system's capacity to produce them. But if I agree here, Mr. Coleman says, it is up to me "to show how this can be done under any conceivable wage and salary system, unfortified by issues of non-repayable consumer credit."

Well, I cannot expect Mr. Coleman to give more attention to what I have written than he wants to, though I have already pointed out that his habit of isolating passages for separate treatment leads him into difficulties. Had he read the rest of my book as carefully as he has certain paragraphs concerning the Douglas theory, he would not, for example, have referred in quite the way he does to "fair and reasonable profits." But what I especially wish to make clear is that in *The Control of Prices* I have attempted precisely what Mr. Coleman says it is "up to me" to do, namely, to show how consumers can purchase the entire output of goods and services, no matter how great it is, or how much greater it becomes; and to do that without piling up debts against themselves or involving a stimulation of exports for purely monetary purposes.

AUGUSTUS BAKER.

Sir,—The rock on which Mr. Augustus Baker splits—like all other opponents of the Social Credit principles—is the supposition that new capital is eventually financed out of savings, whether it is immediately advanced in the form of bank loans or not. If that is so, who were the previous owners of the £8,000,000,000 we spent on the war? Where did they keep their little nest egg, and how were they induced to disgorge it? Who were the billionaires 100 years ago that put up the thousands of millions since expended on capital expansion, and where did they keep their money? Presumably, further capital expansion will take place, so why not short-circuit bank loans and make the savers pay direct for it? Such vast sums saved cannot be of any immediate use to their owners. If Mr. Baker's theory is correct, the disparity between aggregate prices and purchasing power must be due solely to this saving, which would amount to a gross maldistribution of wealth. The best way to remedy such a situation is by heavy taxation. Why not apply the remedy? It surely cannot be because, hitherto, the heavier the taxation of the rich the worse the general situation has become?

ARTHUR WILLIAMSON.

December 17, 1933.

SOCIAL CREDIT AND RELIGION.

Sir,—I have read Miss Bunce's letter with great interest. It so clearly shows that the age of Faith is not passed, nor that of balanced common sense arrived. The Christian event can be the most fundamental of all events, to those who believe it so. Social Credit, be we impious enough to speak of it in the same breath, can be the same to those who believe it so.

Nevertheless, the proper place to press the claims of Christianity is no more in Social Credit circles than the proper

place to press the latter is in the pulpit, except in so far as the one accords with the spirit of the other.

The higher one's faith the more one must guard against tacking on to it, trying to drag along at its chariot wheel other faiths. That but confuses the issue and turns faith to folly.

By all means let the churches, any church, any religion, adopt what of Social Credit suits its creed, but let us ever remember that to religion bodily comfort is secondary to spiritual, that to Social Credit spiritual comfort is but a secondary outcome of its primary object of physical comfort. We may be thankful the one sustains the other, but let us never think the one, with its fundamentally different primary objects, can ever absorb the other.

That is common sense. Faith, however, is faith, armed against all the assaults of common sense, else it would cease to be faith. Since we Social Creditors include both the faithful and the inquiring, let us then agree to leave to the one their faith, to the other their common sense, leaving each to illuminate, rather than dominate, the other.

E. STANLEY HILLMAN.

GREEN-SHIRT POLICY.

Sir,—I am a new student of the Social Credit Movement, and I have read with confusion Mr. Hargrave's letter which is published in your issue of December 14th instant.

Am I to understand that he is attempting to explain why he considers the demand for the following two points to be necessary?—

(1) The rousing of popular passion against bankers as a class;

(2) The demand for a National Credit Office.

I presume he means that these points are premature and not his demand for them.

Mr. Hargrave himself says "It is possible to defeat your objective in the future by taking wrong action now," and, personally, I feel that to take any premature action is wrong. Surely Mr. Hargrave does not mean that his activities now bear no more relationship to the Social Credit State than does the tadpole to the frog. To begin with, the tadpole is not a premature frog, but the larva of the frog. Whereas the one is aquatic, herbivorous, and cannot reproduce, the other is amphibious, carnivorous, and can reproduce. For a tadpole to become a frog it requires the miraculous hand of Nature, and for an observer, seeing a tadpole for the first time, to be able to forecast the development of a frog would require more than logic.

R. BROWN.

Certified Accountant, Scottish, age 30, with some years experience Trading and Stores Management in East Africa, desires post Home or Abroad. Any reasonable offer considered.

Reply—BOX 10, "THE NEW AGE,"
70, HIGH HOLBORN, W.C.1.

MANUFACTURER offers Men's and Women's Camelhair Cardigans 12/6 each, Pullovers and Jumpers 9/6, Pure Silk full-fashioned Stockings (British) 1/2 doz. boxes, 10/6, 13/6, 17/6. Nice present for Ladies.

RD. HAWORTH, BUSYVILLE, LETCHWORTH.

THE "NEW AGE" CIGARETTE

Premier grade Virginian tobacco filled by hand in cases made of the thinnest and purest paper, according to the specification described in this journal on January 23, 1930.

Large size (18 to the ounce). Non-smouldering.

Prices: 100's 7/6 (postage 3d.); 20's 1/6 (postage 2d.)

Price for Export ex English duty quoted on minimum quantity of 1,000.

FIELDCOVITCH & Co., 72, Chancery Lane, W.C.2
(Almost on the corner of Holborn and Chancery Lane).

SUBSCRIPTION RATES.

The Subscription Rates for "The New Age," to any address in Great Britain or abroad, are 30s. for 12 months; 15s. for 6 months; 7s. 6d. for 3 months.

CREDIT RESEARCH LIBRARY

Books and Pamphlets on Social Credit.

- BRENTON, ARTHUR.
Social Credit in Summary. 1d.
The Key to World Politics. 1d.
The Veil of Finance. 6d.
Through Consumption to Prosperity. 2d.
- C. G. M.
The Nation's Credit. 4d.
- DEMANT, V. A.
This Unemployment. 2s. 6d.
- DOUGLAS, C. H.
Economic Democracy. 6s.
Credit Power and Democracy. 7s. 6d.
Social Credit. 3s. 6d.
The Breakdown of the Employment System. 1d.
The Control and Distribution of Production. 7s. 6d.
Canada's Bankers. (Evidence at Ottawa.) 2s. 6d.
The Monopoly of Credit. 3s. 6d.
These Present Discontents: The Labour Party and Social Credit. 1s.
The World After Washington. 6d.
Social Credit Principles. 1d.
Warning Democracy. 7s. 6d.
The New and The Old Economics. (Answer to Professors Copland and Robbins.) 1s.
- DUNN, E. M.
The New Economics. 4d.
Social Credit Chart. 1d.
- GORDON CUMMING, M.
Introduction to Social Credit. 6d.
- GRIERSON, FRANK.
A Study in Purchasing Power. 2d.
- H. M. M.
An Outline of Social Credit. 6d.
- HATTERSLEY, C. MARSHALL.
The Community's Credit. 1s.
This Age of Plenty. 3s. 6d. and 6s.
Men, Machines and Money. 4d.
- RANDS, R. S. J., B.A.
The Abolition of Poverty. A Brief Explanation of the Proposals of Major C. H. Douglas. 4d.
- R. L.
The ABC of Finance and Social Credit. 4d.
- POWELL, A. E.
The Deadlock in Finance. 3s. 6d.
The Flow Theory of Economics. 5s.
- TAIT, F.
The Douglas Theory and Its Communal Implications. 3d.
- TUKE, J. E.
Outside Eldorado. 3d.
- YOUNG, W. ALLEN.
Ordeal By Banking. 2s.
- W. W.
More Purchasing Power, 25 for 6d.
- ### Critical and Constructive Works on Finance, Economics, and Politics.
- BANKS, PAUL.
People versus Bankers. 6d.
- DARLING, J. F.
Economic Unity of the Empire: Gold and Credit. 1s.
- HORRABIN, J. F.
An Outline of Economic Geography. 2s. 6d.
- LUDOVICI, A. M.
A Defence of Aristocracy. 7s. 6d.
- SYMONS, W. T., and TAIT, F.
The Just Price. 2d.
- ### Instructional Works on Finance and Economics.
- BARKER, D. A.
Cash and Credit. 3s.
- CLARKE, J. J.
Outline of Central Government. 5s.

Address: 70, High Holborn, London, W.C.1.

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