

THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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NOTES OF THE WEEK.

Planning and Plans.

Dr. Nicholas Murray Butler, in the course of an address at the Columbia University last August, declared that what the world needed was another Alexander Hamilton. The reason was that Alexander Hamilton was the statesman who initiated and brought into being a system of centralised government, thus transforming what you may call the divided States of America into the United States of America.

A clue to his policy and methods is embodied in the following passage from Dr. Butler's address:

"This man, summoned by Washington to be the first Secretary of the Treasury, . . . proposed to the Congress of the United States ways and means of establishing the public credit, ways and means of solving the monetary problem by the establishment of a bank, ways and means of bringing about the development of manufactures in this distant part of the world."

Notice the three phases of the policy. The establishment of the public credit, whatever Dr. Butler means to convey by the phrase, undoubtedly included the initiation of the principle of federal taxation with of course the balancing of the federal Budget. The establishment of a bank, whatever that may have implied at the time, meant eventually the vesting of the control of financial credit in the hands of a private monopoly, such control of course extending over the ostensible discretion of an apparently supreme federal Government and Treasury. The development of manufactures, desirable as this was at the time, potentially lent itself to direction by the private credit monopoly both as to the character of the production and the location of the productive processes. The questions of character and location were of practical concern to the bankers, but not for precisely the same reasons as made them look important to the people. No doubt there would be common agreement on the question

of location, for as a physical proposition it is not difficult to see that, given a certain kind of thing to be made there is a certain place where the making of it is easier than in other places. Thus, when, as Dr. Butler recounts, Hamilton "brought into existence a city around a great waterfall," no doubt he achieved his purpose, which was "to demonstrate how easily manufactures could be developed under proper conditions"—how easily the people could, by "combining their resources," bring about "trade, commerce, and prosperity." We may believe that the people were duly impressed by the experiment. But they missed a snag in the reasoning. They did not probe a stage farther back in the process and ask themselves what it was which made possible this combining of their resources. The technical answer, as most of us are aware to-day, is that the necessary finance was provided. The political answer is that the finance was forthcoming because the bankers approved—and probably decided—the purpose to be achieved by the said combination of resources. It is one thing to recognise the truth contained in the phrase familiar to us to-day: *The increment of association*; but it is another thing to assume that any form which such increment may take is equally valuable to the people whose association creates it. There is an order of priority in which the needs of a people should be satisfied; and the people are competent judges of what that order should be. Food, clothes and shelter come first on the list, and the increment of association should first take those forms. Now, whatever may have been the value of the manufacturing policy first developed by Hamilton, it is now seen that the purposes for which the Money Monopoly have financed manufacturing have become more and more divergent from those which the people themselves would have chosen to pursue if they had had the power of choosing—that is if they had retained the control of financial credit.

The Increment of Dissociation!

We know the reason. It can be put this way in technical terms, namely that whereas produc

beginning of its development, appears to be the means to consumption, we find in later stages that consumption has become the means to production. We find that, in spite of the development, the standard of consumption remains fixed at a point where the consumer is compelled to go on producing. You begin, as it were, to construct larger ovens to provide bigger meals, but at the end you find yourselves eating smaller meals to provide the means of constructing still larger ovens. Just after the war an American statesman complained that the productive capital of the United States was "a millstone round our necks," unless, as he said, foreigners would feed it with orders. That is to say, the increment of association which Alexander Hamilton taught Americans to aim at was now inaccessible to the people of the Thirteen States who had thrown down their barriers and combined their resources. Their unification had not resolved their problems, it had only combined the thirteen problems of the divided States into the one problem of the United States. And this has been the invariable result everywhere else. The Hamilton Scheme of national planning had failed in the one and only essential which makes any planning worth while, namely that the benefits of economic collaboration should accrue to the collaborators. Small wonder that to-day people are disposed to question the truth of the Hamilton theory and to ask themselves whether its opposite may not be true—namely, whether there may be an increment of *dissociation*, not association. The present-day fact, deplored by bankers, that the world is tending to call a halt in the policy of broad internationalism and to revert to that of "narrow nationalisms," shows that disillusionment and revulsion of this nature are colouring the consciousness of the people.

Yet we have Dr. Butler declaring that "The World Needs Another Alexander Hamilton." It does not. Allowing full marks to that statesman for his high intentions, he would be a nuisance rather than a help to-day. He is said by Dr. Butler to have framed his policy of unification as the result of observing that wherever there was a boundary there was a dispute. If that is so it was a very shallow basis on which to found a major policy. Boundaries do not create disputes—the most that can be said is that they demarcate a particular alignment of already-existing disputes. For example, Dr. Butler quotes from Mr. Frederick Oliver's *Alexander Hamilton* the following words:

"The Thirteen States proceeded to indulge themselves in the costly luxury of an internecine tariff war. The states with seaports preyed upon their land-locked brethren and provoked a boycott in return."

Very well, but what had the State-boundaries to do with the preying? They were, so to speak, fuse-wires of resentment and retaliation. Their elimination would no more alter the causes of bad feeling than the quarrelling of two neighbours over the garden fence would be resolved by knocking down the fence. If Mr. Jones slangs Mr. Brown for throwing his garden refuse over the fence, and Mr. Brown slangs Mr. Jones for reaching the fence to pick apples off his tree, how are you to restore peace by removing the fence? Only on the supposition that the fence is in itself a profitable mischief—that it creates the impulse in one neighbour to offend the other needlessly. But if, on the other hand, Mr. Brown can't find any place for

his rubbish in his own garden, and Jones has no apples in his garden, and, further, if these deprivations could be supposed to be of vital injury to each, the removal of the fence would be more likely to accentuate the quarrel than end it.

Western Australia and Secession.

At this very moment the Hamilton plan of political unification and centralised control of fiscal policy is being shown up in Australia where the State of Western Australia is seeking in London for power to secede from the Commonwealth. Notice the reason: it is exactly the same as that which in the case of the Thirteen States Alexander Hamilton thought was occasioned by the existence of fiscal boundaries between politically self-determined areas. The reason given is that the Eastern States of Australia are "preying" on their Western "brethren," by charging them profiteering prices for manufactures under the protection of the Federal Tariff. The Government at Perth, although without means of retaliation, is in exactly the same trouble as was any land-locked State in America when it possessed the means of retaliation. Perth affirms, in so many words, the doctrine of the *decrement of association*, and seeks, by secession, to resume powers of retaliation whereby to end this injury if not to find a positive increment in dissociation from the other States.

Confiscation the Mother of Extortion.

To sum the whole question up, there is only one boundary that obstructs progress to prosperity and peace: it is that which divides the bankers from the rest of the community. The grievance of any section of the community outside the banking group, whether an industry, a State, an economic class like the Trade Unions, can be shown to arise out of the problem of fulfilling obligations to the bankers. Each attempt by any one to prey upon another is the result and expression of the fact that it is itself preyed upon. The banking system is patterned on the electric grid system, but with this difference, that a current of monetary confiscation is passing in towards the centre from every point along the radial transmission cables. It is true that a current of monetary advances flows outwards at the same time; but the rates of flow are different, and the net result of the crossed transmissions is made visible in extortion at every point where money is borrowed and repaid and things are bought and sold. *Confiscation at the centre necessitates extortion everywhere else.* The remedy is obviously to stop the confiscation; and the way to do that is certainly not to devise plans for regulating the extortions. Yet that is what all the plans now being applied or considered can do (or are intended to do) even supposing that everybody will-ingly co-operates in working them. Every word spoken and act performed in pursuance of these plans is so much tacit advocacy and support of the principle of confiscation. *The Times* opportunely puts the matter in a nutshell. Referring to the problems of the Unemployment Assistance Board on October 26, the writer of a leading article observes:

"... for what causes discontent is the knowledge of justice, and what assuages discontent is the knowledge that all are being treated alike."

So he concludes that there is "no need to be alarmed" at the prospect of discontents arising from readjustments in scales of relief—that although the more generous provision of relief in some localities must involve the less generous provision in others, the fact that the policy

of the Board is to establish *uniformity of treatment* will eventually silence criticism. In the pursuance of this policy, he says, the Board's greatest problem is to see that the amount of relief granted to a household without a breadwinner is not greater (or as great?) than the income of a household whose members are in work. Relief must be related to wages on a just basis. Again, relief must also be related to unemployment insurance benefit, for "it would be most unfortunate if insurance were discredited because relief were greater. . . ." (Our italics.) It would indeed; for as every student of Social Credit knows, insurance is the main implement of monetary confiscation. It feeds the investment market, inflates security-prices, and thus creates antagonism between buyers of securities and sellers of labour. And since the powers of compulsion are all on the side of the investing classes (because the dominance of the Money Monopoly is largely founded on the practice of investment) the ultimate effect of insurance is to depress wages, or, if not, to diminish the number of wage-earners. In either case the collective sum of wages distributed is pegged down at or near the limit of human toleration. And it is this pegged-down scale which, the writer of the article suggests, must be the criterion of justice in the allocation of relief. Not only must relief not be equal to wages, but it must not be equal even to that fraction of wages which the insured workman receives in the form of benefit when he loses his job.

It will be instructive at this juncture if we place on exhibit a tabulation of criteria of prosperity in the United States which we have extracted from Dr. Nicholas Murray Butler's address entitled "The Attack on Liberalism."*

1. There are at least 15,000,000 shareholders.
 2. There are 45,000,000 different persons with 25 billion dollars savings deposits in the banks.
 3. Building and loan associations have a membership of 10 millions, and the assets exceed 8 billion dollars.
 4. There are 115 million life assurance policies in force with a face value of over 100 billion dollars.
 5. Half the families in the country, 14 millions in number, own their own homes.
 6. For every five families there are four automobiles.
 7. Of every three families, two have telephones and electric service, and 40 per cent. own radios.
- "In the light of such fundamental facts as these, it is grotesque to assert that no progress has been made under liberty in bringing economic satisfaction to vast armies of citizens."

These facts, according to his own statement, refer to the situation in 1932. The construction he places on them can easily be challenged, but the best answer to them is to bring them up to date. For this purpose we quote some items from Mr. S. Evelyn Thomas's pamphlet, *The World Crisis* (Simpkin Marshall, 6d.), reviewed recently in these columns. They are taken from the section (pp. 26-27) headed "Diary of the World Crisis."

- 1933
- Feb. 2.—U.S.A. Unemployment Relief Plan.
- Feb.—March.—Banks of U.S.A. in difficulties. Banking Crisis.
- Feb. 26.—Legal control of U.S. State and National Banks.
- March 2.—U.S.A. Bank rate raised from 2½ per cent. to 3½ per cent.
- March 4.—New York Stock Exchange closed.
- March 5.—Gold exports from U.S.A. banned.

* Issued gratis by the Carnegie Endowment for International Peace, Division of Intercourse and Education, 405 West 117th Street, New York, N.Y.

- March 9.—Roosevelt's Prosperity Programme announced.
 - March 9.—Federal Reserve Banks open for issue of currency against gold or gold certificates.
 - March 14.—Re-opening of banks in U.S.A.
 - March 15.—New York Stock Exchange opens. Spectacular rise in stocks and bonds.
 - April 1.—Fiduciary issue reverts to old figure of £200 millions.
 - April 20.—U.S.A. suspends the gold standard.
 - May 22.—Farm Relief Bill (U.S.A.) passed.
 - June 6.—Gold Clause Abolition Act (U.S.A.).
 - June 16.—National Industrial Recovery Bill (U.S.A.) passed.
 - July 30.—U.S.A. Industrial Code comes into operation.
 - Sept. 1.—U.S.A. Treasury buys gold at prices above Mint Price.
 - Oct. 25.—Reconstruction Finance Corporation takes over Treasury's buying functions.
- 1934.
- Jan. 30.—U.S.A. devalues dollar and restores gold standard.
 - April 30.—U.S.A. establishes Dollar Stabilisation Fund.
 - June 4.—British Note to U.S.A. announcing suspension of War Debt.

We have quoted more items than are immediately relevant to our purpose, but readers will find them useful reminders for their own purposes. Those immediately relevant point to two things, namely, that in spite of the statistics of prosperity cited by Dr. Butler there was real adversity, and that even such prosperity as might be deduced from the figures was what the bankers are fond of calling "artificial prosperity." Take, for instance, the figures of "savings" or the capitalised value of insurance policies which he emphasises in his enumeration. What were they? Money? No; they were investment-securities. Now you may call these "savings" in a retrospective sense—they do represent actual money once paid for them: but they do not measure actual money recoverable for them. And the more widely and urgently the holders need to convert them into money the less their value—yes, and down them to zero in a national panic. If the U.S.A. banks and the Stock Exchange had not closed when they did Dr. Butler's imposing statistical oozlem-bird would have moulted away to the bare skin and suddenly crashed in the midst of its most remarkable gyrations. "They were good securities—oh, such safe securities," explained the bankers through the keyholes of their locked doors to the depositors outside, "but you are in such a hurry that we cannot market them at anything like their value." Of course they couldn't—and for two reasons: there wasn't enough money existing to buy them at more than a fraction of their nominal value; nor, supposing that there had been, would the people holding the money have offered more than panic prices to desperate sellers. As every sophisticated theatre-goer knows, the enumeration of a stage army is more dependably taken at the stage door than from the auditorium; and when you see regiment after regiment of gilt-edged securities marching past in the spectacular production called "Affluence" you must not be too curious about the convertibilities inside the uniforms. And it was to prevent indulgence in such curiosity that the U.S. Banking and Stock Exchange producers let down the safety curtain on the show—lest the audience took a peep behind the scenes.

It is vital to a proper understanding of the saving and-investment imposture to realise that a paid security is virtually a certificate recording that so much money has been confiscated, and that this certificate of confiscation entitles the holder to enjoy the pro-

exchanging it back into the confiscated money—clearly an impossibility unless the money is de-confiscated first. That is to say, the money retired and destroyed by the banks as a part of the process of floating securities on the investing public must be created and re-issued if those securities are to be made marketable to their full nominal value. But not, be it noted, to initiate by loans a process finally ending in the flotation of a second series of securities; for that would simply result in there being two lots of securities against one lot of money in place of one lot against no money. Such a device does, in normal circumstances, ease tensions in the security markets, but that is because buyers of new securities are not in a hurry to get rid of them at once—or they wouldn't have bought them—and because new issues are usually related to new enterprises with presumably improved processes tending to supersede older enterprises and processes. The pressure to sell would not be general, but would arise only among investors in older enterprises which looked like being injured by new competition.

This device, or something like it, was brought into operation by the U.S. Government. Securities were created, but not representing particular industries: they were not floated on the public in the sense used above, but sold to the banks. Now when banks buy securities, the money they pay increases the amount already in circulation—it "creates deposits," as Mr. McKenna puts it. So the U.S. banks "de-confiscated" money in the sense in which we have used the expression, and the result was the "spectacular rise in stocks and bonds" when the N.Y. Stock Exchange re-opened. They were "marked up," as the saying goes, and this marking up reflected not as much actual buying by the public as the slackening of the pressure to sell (particularly by banks and other large holders) due to the reassurance that new money had come out to support the market. Nevertheless, the new money is, so to speak, tied to a new series of securities, and therefore will only temporarily relieve—not permanently remove—the causes of panics and accompanying slumps in the conversion-values of securities.

Moreover there is no guarantee that the new money will remain in circulation. The banks can cancel de-confiscation with re-confiscation. They can sell the Government securities that they have bought, and thereby diminish the amount of money in circulation. ("Destroy deposits" as Mr. McKenna says.) Or they can sell other securities up to the equivalent of the acquired Government securities—which would have just the same effect on circulating money. From their point of view this would be the better plan because whereas the safety of a security representing industrial enterprises depends on the more or less voluntary purchases by the public, that of a Government security depends on the Government's power to impose compulsory levies on the whole body of the public through the taxing system. An American citizen with fifty dollars in his pocket may toss a coin to decide whether to buy a suit of clothes from a tailor or a radio-set from the man next door—and upon chance of the spin depends the security value of investments in the business of the one or the other. But he has just received a demand-note for a tax of fifty dollars—he needn't trouble to toss any of his coins, he can toss them all good-bye in front of the eyes of both

the mournful storekeepers. The Government can intercept money before it reaches business enterprises, hence a Government security is safer than an industrial security. The risk is "beautifully spread," as Mr. Gibson Jarvie would say.

But however safe a security the banks do not hold it their prime function to tie money up in investments, but to "keep their assets fluid." Hence they will unload them gradually on the public. Not directly, but by selling them to insurance companies and other financial institutions which take care of the public's savings. That is how the re-confiscation of money will come about. And as and when it does come about there will be people like Dr. Butler counting up the security-holdings of these institutions and reciting their nominal value as evidence of the prosperity of the country. The true measure of prosperity is the rate at which the public are drawing goods out of industry, not the rate at which such goods accumulate inside. There is no harm in investment itself: but there is harm in the fact that principles of the accounting system do not prevent the accompanying confiscation of money or, what is really the point, compensate the confiscation afterwards. In the absence of such compensation the public cannot provide enough money to defray the costs of more than a fraction of the goods which industry would otherwise be able to deliver.

President Roosevelt and the Bankers' Association.

This leads us to a consideration of what *The Times* calls the conciliatory speech of Mr. Roosevelt to the Bankers' Association. In the issue of that journal for October 27, the writer of the first leading article analyses his speech with the object of helping readers to guess what will be done next. In the first place he points out that Mr. Roosevelt recognises the necessity for balancing the Budget, but that he omits to indicate how or when he proposes to do it. According to the writer's account Mr. Roosevelt has assured the bankers that the credit agencies set up by him were part of emergency measures and that he was prepared to curtail their activities when the private banks were able to take over their functions. In the meantime he assured them that national credit is not intended to compete with bankers' credit, but only to supplement it in the public interest. At the same time he insisted that there must be no going back to the old state of things where the leaders of finance exercised an authority almost equal to that of the Government. "The Government," said Mr. Roosevelt, "by the nature of things, must be the leader, must be the judge of the conflicting interests of all groups in the community, including bankers." Whatever the bankers thought of this they were "gladified" to hear the President declare that in the spirit of American institutions "wealth should come as the result of hard work of mind and hand." We are not surprised; for there is no more efficient way in which to keep people hard at work than to make work the sole condition of receiving an income, and to keep money scarce relatively to prices. Said the manager of a station in one of our Protectorates to a visitor: "We wouldn't mind paying these niggers better wages, but you know, their wants are so few that we daren't; they'd be taking holidays." Evidently spots of work for splashes of leisure wasn't a good thing. And so, too, among civilised whites, apparently. Well, as we say,

there is nothing like the present rule of the bankers to keep us hard at it.

The writer of the article, whose attitude is studiously dispassionate throughout, administers a mild reproof to the American bankers, remarking that while, during the months of panic, they were ready to follow the President's leadership, they began to be critical as soon as the panic subsided. But, as he goes on to say, the criticism was not endorsed by public opinion, and it became evident that the only effect of persistence in it would be to drive the President into yielding to the pressure of those whose opinions on monetary policy were in advance of his own. The bankers wanted "recovery without reforms," but while it is natural that some of these reforms would be distasteful to them, after all "it is less unpleasant to be reformed than to be destroyed."

This is all sapiently said as a political analysis, but it misses the fundamental snag in the situation. Under any system of national planning there will have to be an end of dual control of lending. If national credit is not to compete with, but only to supplement, bankers' credit, the two will have to be co-ordinated administratively, which implies identity of policy. The crucial question arises whether the accounting of credit is to condition the policy, or the policy to revise the accounting. For unless the present indiscriminate total destruction of repaid production-credits is to be largely compensated by the issuance of direct consumption-credits, no recovery is possible. An engineer friend of ours is fond of relating the story of an ingenious operative in a power station whose function it was to see that vacuum on the meter, and who, when the pressure proved refractory, found it the simplest thing to adjust the dial to cook the story which the needle tried to tell when his superiors were due to come round and check up the readings. This analogy is only a distant one when we come to deal with readings of national wealth and debt. The bankers' meter does not need tampering with—it is a self-falsifier. But the general moral is the same, that you can't get true results from false readings. If you persist in trying to co-ordinate human effort on the assumption that the expected rewards are available when they are not, your attempts are bound to fail. If you read the rate of flow of costs as if they measure the rate of flow of incomes—which is the assumption implicit in every plan that the bankers refrain from attacking—you will be deceived into doing the same stultifying things as the master bankers are doing with their eyes open.

Last Week's Elections.

North Lambeth figures. Electorate, 38,923: voted, 19,481: refrained, 19,442: majority of successful candidate, 6,313.
Swindon figures. Electorate, 47,609: voted, 39,135: refrained, 8,474: majority of successful candidate, 2,649.

In Lambeth it only wanted twenty more abstentions from the poll to give the abstainers an actual majority. In both elections it will be noted that the number of abstentions was just over three times the winner's majority. That is to say the neutrals possess three times the actual voting power required to turn either election any way they might choose under the stimulus of some compelling mood or event.

It is therefore not surprising that the gentleman who contributes the feature called "An Investor's Note Book" in the *Financial Times*, alluded to financial policy in relation to elections in the issue of October 22. He said that a well-informed firm of London stockbrokers in close touch with political circles had recently given him their views as follows:—

"... our national economy cannot afford with a paper currency to face an election which might possibly go to the Left. . . . It is contended, therefore, that whatever the results of the next election may be our monetary authorities can neither run the risk of the ordinary turmoils of sentiment attaching to the fate of a general election nor the effects that would result on the value of sterling should it have to face by any mischance the impact of a Left Administration."

The moral drawn by these authorities is that "the currency question must not be allowed to drift too long."

This plainly means that monetary policy ought, in their opinion, to be settled before the next election, and made what is known as a "reserved question." We alluded recently to hints in the Press that Parliamentary procedure should or might be reformed so as to ensure the continuity of the National Government's basic financial policy under any Administration which might replace it. The two suggestions are mutually complementary, and would have the effect of de-constitutionalising a heterodox electoral mandate, and de-regularising attempts by Members of Parliament to get it debated. In such circumstances even the undertaking of a Parliamentary candidate to support a credit-reform measure might be held to be a "vicious contract"—that is, a contract to do something which is "contrary to law," or a "void contract"—that is, a contract to do something "impossible of performance."

If emergencies could be trusted not to arise probably these changes would not be necessary—the voting electorate would probably go on yielding majorities to "sound" candidates. But under existing high financial policy emergencies are bound to arise, and no-one can say when or in what form, or be sure that the effect will not be to galvanise non-voting citizens into taking a hand in the game. With this as a background the recent attempt by the *Daily Express*, and the current preparations by the League of Nations Union, to try out the door-to-door plebiscite take on a new significance. The secrecy of the ballot might eventually be superseded by the quasi-publicity of the signed opinion or pledge—a negative form of intimidating those citizens whose views were unorthodox, and in any case a positive form of restricting every citizen's choice to saying yes or no to "non-reserved" questions.

Our Aryan Banks!

The following extract from the National Socialist (Nazi) *Monthly Journal*, August, 1934, will be found amusing. (It is quoted by *The Friends of Europe*.)

"The actual banks, the Big Five, are exclusively in Scottish hands. England owes it to the Scotch that the Jews do not yet play the part they played in Germany before the Revolution."

One wonders whether this is the Nazi version of the saying that there is only one Jew in Aberdeen, and the poor devil can't raise the fare to get away. P. M.

NOTICE.

All communications requiring the Editor's attention be addressed directly to him as follows:
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A + B.

The A + B Theorem of Major Douglas is concerned with the double circuit of money in industry, and is not concerned with profit or interest.

On pages 30 and 31 of *The Monopoly of Credit*, 1931 edition, we find the following:

"Where any payments in money appear twice or more in series production, then the ultimate price of the product is increased by that amount multiplied by the number of times of its appearance, without any equivalent increase of purchasing power.

"With this fundamental proposition in mind we are in a position to take a more generalised view of the defect in the price system which is concerned with the double circuit of money in industry, and which has become known as the A plus B theorem. The statement of this is as follows: In any manufacturing undertaking the payments made may be divided into two groups:—Group A: Payments made to individuals, wages, salaries, and dividends; Group B: Payments made to other organisations, raw material, bank charges, and other external costs. The rate of distribution of purchasing power to individuals is represented by A, but since all payments go into prices, the rate of generation of prices cannot be less than A plus B. Since A will not purchase A plus B, a proportion of the product at least equivalent to B must be distributed by a form of purchasing power which is not comprised in the description grouped under A.

"Now the first objection which is commonly raised to this statement, is that the payments in wages which are made to the public for intermediate products which the public does not want to buy and could not use, when added together, make up the necessary sum to balance the B payments, so that the population can buy all the consumable products."

In reply to this objection supporters of the theorem point out that the wages which were distributed to the producers of the intermediate products are not in existence when the ultimate product is for sale.

This proposition is to be demonstrated. It can be done by keeping the mind's eye on one sum of money, circulating twice in one series of production.

The two processes—grinding flour and baking—in the production of bread, provide an example devoid of unnecessary complications, a series of only two processes, the fewest possible.

Demonstrations begin with unproved assumptions.

Assuming, without proving, that the mind of man is able to know when a proposition is true, and that when known to be true it will not be ignored, we may suppose that the miller's grain costs him nothing, that he has a capital, that he employs a man, and that the baker does his own baking. Profit and the baker's initial capital may be ignored.

At the commencement of the first process in the series—grinding the flour—the money and the wheat will be with the miller. At the end of this process when the miller has paid his man, the money which was the miller's capital will have become the workman's income, and the wheat which was grain will have become flour in the mill.

While the workman was grinding flour, assume that the baker was baking bread with flour from stock, that the wages and the price of the bread are equal, that the workman buys the bread, takes it home, and eats it.

The money is now with the baker. It has ceased to be income in the workman's pocket and has become the baker's capital.

Suppose now that the baker buys the flour from the miller. The money will be again in the miller's cashbox when it is issued—his second capital, and possibly the miller's coin or bank-note with which he paid the miller's wages. The baker's B payment is thus a repayment collected from the public (the workman) of pur-

chasing power in respect of production not yet delivered to the workman, as Major Douglas says.

The money has made a journey, it has circled, from miller to man, man to baker, baker to miller. We are dealing with the double circuit of money in industry. One circuit has been completed, during the first process in the series (grinding flour) and before the second process (baking) commences.

During this second process the same money will make another journey from miller to man, man to baker, and baker to miller, producing a second batch of flour.

At the end of these simultaneous processes taking place during the second half of the series, after the miller has paid his man and before the man has bought the bread, there will be flour in the mill and bread in the shop both waiting to be sold. These may be mentally added up and regarded as one mass of wheat for sale at a total price of twice the money.

The money is now in the man's pocket. He can buy the bread, one part of this mass of wheat; the baker will get the money and buy the remaining part, the flour. The miller's capital will then be back a second time in his cashbox (and can pay off the loan if it has been borrowed from a bank).

The baker's payment has liquidated the miller's cost for services, and has created the baker's cost for raw material. The liquidation of the one cost which goes out of existence creates the other cost which simultaneously comes into existence, like the French Kings of old, when one died another came on the throne.

As Major Douglas elsewhere says, the miller could now go with his money to another planet, or tear up the bank-note (equivalent to repaying a bank loan). Also at the end of each circuit he could discharge his man and invest his capital. Or, as we have assumed, he could use it to pay for the grinding of another batch of flour.

During the circuit the money is used three times, once to buy services, once to buy bread, and once to buy raw material (flour). It creates two costs. The miller's cost for services is recovered, the baker's cost for raw material is not, but is carried forward not accompanied by money, a book-cost, an empty figure having no reality at the back of it, a charge on future production, production not of the one series, saddling posterity with a debt, an obvious defect in the price system, and insofar as there is an omission to create money to fill the empty figure, a defect in the money system, too.

The money equal to this figure, the baker's B payment, is now capital in the miller's cashbox. It could liquidate the baker's cost if not a loan from a bank. But the miller does not buy back his own flour, and does not with his capital buy that flour when converted into bread.

If the "capital" has been a bank loan, then the money will not be in the miller's cashbox at the end of the baking process and one cycle of production. It will have been paid in to the bank to close the loan account, the very selfsame money which was a payment in wages made to the man for grinding flour, and will not, therefore, be in existence, not even in the bank, when that flour is for sale as bread.

Thus in both cases, whether the money is private capital or a bank loan, which was distributed as wages to the workman, it has ceased to be those wages when the ultimate product in respect of which they were distributed is for sale, and therefore those wages are not in existence when the goods come on the market. The proposition which was to be and has now been demonstrated. The wages were used by the baker with which to buy flour and make a B payment.

H. WARREN.

Banking and Industry.

By A. W. Joseph, M.A., B.Sc., A.I.A.

[A Paper recently submitted to and discussed by the Birmingham Actuarial Society.]

I.

I will deal in this paper with two questions: (1) The basis and working of the Banking system; and (2) The relation between the costs of articles produced and the amount of money distributed by industry.

The easiest way to get a clear picture of the Banks' operations is to study a simplified Bank balance-sheet. For this purpose and throughout the paper the Joint Stock Banks will be considered as one institution (which is not far from the truth) and will be referred to as The Banks. On the assets side stand cash in hand, cash deposited with the Bank of England, bills, loans to customers, and securities. On the liability side stand customers' current accounts and deposits, shareholders' capital, and bank reserves. If the Banks make a loan or buy securities they increase their customers' current accounts and deposits, i.e., their customers' money. For consider a simple operation. The Banks lend to a manufacturer in order that he may build a factory. The money passes via the manufacturer to contractors' current or deposit accounts. These accounts are new money because the balances of other depositors have not been reduced by the transaction. Considering the Banks' balance-sheet, on the assets side loans have gone up and on the liabilities side customers' accounts have been increased by the same amount. It is true that this new money may not be used, and to the extent that it is just left on deposit it will not serve in effecting the interchange of goods and services. But it will be agreed that the more money there is potentially available for use the more money there is likely to be which actually is used. The money will for the most part consist not of actual cash but of book entries in the Banks' ledgers, and will be drawn by cheques.

The extent to which the Banks economise in the use of actual cash is given by the ratio of customers' current and deposit accounts to the Banks' cash in hand plus cash at the Bank of England. This ratio is nowadays about ten to one, which means that there is ten times the amount of money available for use in the country than there is actual cash or bank notes. All this money is a potential claim on the Banks for actual cash; and it would not have been safe within the present framework of banking for these claims to have been created by the Banks had it not been for the statistical fact that under normal conditions customers as a whole do not desire to draw out more than a fraction of their balances. The spread of the cheque system has contributed most to this state of affairs, for with the aid of cheques, transactions which would otherwise necessitate a withdrawal of cash from the Banks and its payment by one customer to another who would in turn have to bank it, are effected without any cash passing at all.

Much confusion concerning banking has been caused by the refusal of Bankers (though not all of them) to admit the full implication of banking practice. They have denied that Banks create money. Statements are made such as that "the only real creators of money are the authorities who have the right to print notes" (I am quoting here from a speech by Mr. Beaumont Pease, chairman of Lloyds Bank, to the British Engineers' Association on May 10, 1934.) If doubt is felt concerning the previous explanation of how the

Banks create money perhaps the following argument will help to clear the matter up. If Mr. Pease's statement were true it would lead to the conclusion that if a large number of notes are printed the nation is threatened by inflation, whereas if the Banks find it possible to increase their ratio between customers' money and their own cash in hand or at the Bank of England no inflation is caused. Now suppose the present cheque system were abolished and every transaction which takes place to-day were effected by physical exchange of money. Thus if X wished to pay a debt of £100 to Y he would demand £100 in notes from his Bank, pass them to Y who would deposit them in his own Bank. The final effect of this transaction would be exactly the same as if X had given a cheque of £100 to Y. Yet the £100 would have had to have been available in notes. The amount of notes in existence to cover present transactions would have to be many times greater than the present issue. According to Mr. Pease this would be an extreme form of inflation, and yet in reality nothing would have occurred beyond what is actually happening at the present time by means of the cheque system. On the other hand, suppose that by reason of increased popularity of payment by cheque the Banks found it possible to work with a twenty to one ratio. They would be able to increase their loans to industry enormously, and the money distributed in the course of capital expansion would circulate and cause a heavy demand for existing consumable goods. Prices would rise, and there would be a large real inflation. But according to Mr. Pease there would be no inflation at all, because more notes were not printed.

The Banks' practice of creating money (possessing the right to be exchanged on demand into cash) by making loans and buying securities is fundamentally unsound, for the Banks have made themselves liable to pay more cash than there is in existence. They are thus always in a position of potential danger. However safe the ratio between deposits and cash may appear to be in normal times, the structure always breaks down in a crisis. For example, in 1914, at the outbreak of war, the Treasury had to come to their assistance by printing and legalising the use of Treasury Notes in order that they should not have to default to their depositors. Banks endeavour to minimise this danger (which, be it noted, is a danger to the general public just as much as it is to the Banks themselves) by adopting a sound financial policy. Logically, the only sound policy would be to cease creation of credit—but such drastic deflation would destroy not only depositors, but the banking system as well. The Banks, therefore, pursue a policy which will result in their liabilities to the public (i.e., depositors' money) being kept as much as possible below the public's liabilities to them. In other words, there is always a tendency for the Banks to follow a deflationary policy. This they do by not distributing their profits to the full (by their methods of bookkeeping they refuse even to disclose the full amount of their profits), i.e., they keep huge reserves hidden or revealed. As their principal assets are loans and securities, the latter really being loans to the public at one remove, these form balancing items against reserves. Hence the real meaning of large reserves is an equally large public indebtedness to the Banks. And as this called sound financial policy is adopted just as a means for the supposed protection of the customers of the Banks as for the Banks themselves, the conclusion is inevitable that there is some flaw in banking practice which is preventing it from working in the public interest.

(To be continued.)

The Point of the Pen.

By R. Laugier.

NO. 18.—FOREIGN TRAVEL.

The sweetest, the most meritorious thing about the traveller is that he travels: it is most undesirable that he should stop. Globe-trotters should be kept on the trot—in fact, they usually are. We all know the man who has been five times round the world. We know, beyond all margin of doubt, that this man will "go round" six times: nor will he be permitted to rest the seventh. Upon the completion of his seventh circumnavigation, he will be warmly urged to an eighth: friends will persuade; his wife will confidently expect it; even his creditors will go down to the docks to see him off.

The traveller himself will tell you that his globe-trotting activities are the result of an energetic and adventurous disposition. Often he believes this himself. Actually, however, there is nothing nowadays that is adventurous about foreign travel; all that is required is a plump pocket-book. Hence the awful dreariness of the talk and writings of modern travellers. Hence the real explanation of why they become travellers. No longer is the traveller eccentric, daring, driven by intellectual curiosity: he is merely a man with money, who does not know what to do with himself. He is a man, too, whom nobody knows what to do with. Unwanted. The traveller is made, not born. Communistic speaking, the bore is always with us; but no section of the community will retain him if it is possible to get rid of him. So the traveller is kept revolving, and told that "to travel hopefully is better than to arrive." He is passed on, from town to town, from country to country, like "production costs" amid varied consumers.

When travelling—so long as one is not with him—the traveller is tolerable. He is good for trade. He sends one, occasionally, a post-card of the Ming Tombs or Jurujuba Bay, and these cards require no answering—for their sender is moving on. So far as one thinks of the traveller at all, one regards him with that dispassionate interest that one may direct towards a mosquito which is *outside* the curtains. It is when the traveller "settles" that, like some tiresome insect, he stings. It is those deadly, tedious "yarns" of his that make him more unpopular than the gentleman, in the American magazines, who suffers from "halitosis." The globe-trotter thinks that sheer physical movement provides a variety of ideas, and that many scenes will produce nothing, and refuses to forget anything. He feels compelled to talk or write about what he has "experienced," either because he imagines that he has seen something worth while, or else, quite simply, because he is a snob. In this world we are all of us judged by the least essential things in our life, and by our most superficial accomplishments. Profound scholarship will pass unnoticed; a trifling facility for speaking foreign languages impresses the commonality enormously. Thus it is with the traveller who has "gone places and seen things." Unless he would be incidental, not primary in his experience. A poet he has seen nothing. If he were a poet travel would have written equally well if he had travelled in Arabia. Marco Polo, Burton, Mungo Park—travellers, in the real sense of the word, no more than did Sir John Mandeville. A man who has travelled widely, and who is able to talk or write well, is analogous to

thinking that a purser on a liner must understand navigation.

With globe-trotting as easy as it is to-day, even the mildest adventures are unlikely. As a fact it is more uncomfortable and hazardous voyaging from Portsmouth to the Isle of Wight than from Tilbury to Japan—and having done both, several times, I know what I am talking about.

Whenever I meet the garrulous globe-trotter, and find it impossible to escape, I get in first, and make an attack. With factitious brightness I ask: "And what did you think of Tristan da Cunha?" Invariably this disconcerts the would-be narrator. It is most improbable that he has ever visited that remote island. I have—on a trip from Buenos Aires to Calcutta (coaling at Durban), and I am prepared to talk about it, rather than listen. Not that there is anything worth discussing about Tristan da Cunha; but it gives one time to escape. Whilst the traveller is expressing surprise, one rises, brushes the crumbs off one's waistcoat, and walks out of the dining-room.

In any case, when cornered by a traveller who has been allowed to settle down, it is always advisable to talk oneself rather than listen. This, on the principle of the gentleman who said that he would have been very bored by a dinner-party if he had not been there himself. The globe-trotter is fond of asserting that "Travel has broadened him." It hasn't. It has merely flattened him, and there wasn't much to flatten.

Lord Beaverbrook and the Green Shirts.

(REPORT FROM THE GENERAL SECRETARY.)

On Thursday, October 11, at 8 p.m., Lord Beaverbrook addressed a public meeting, in the *Daily Express* private theatre, on "Splendid Isolation."

A squad of seven London Green Shirts attended in full uniform. On arrival they were kept waiting. Then someone came and asked:—

"Do you intend to sell or distribute literature?"

"No," replied the Green Shirt leader.

After waiting fifteen minutes the Green Shirts were allowed to enter, on condition that they promised not to sell or distribute propaganda literature inside the hall. They were allotted a good position to the left of the platform, where they were seen by everyone present, approximately five hundred.

Lord Beaverbrook spoke for one and a half hours, developing his usual theme, and, when on the point of taking questions, he said:—

"I see in the distance a number of Green Shirts. They will want to ask me a question. I have heard it a number of times, and, I may say, in dozens of places—and I am certain that I cannot answer it. . ."

After one or two questions had been asked and answered, a Green Shirt rose and said:—

"On behalf of the Green Shirt Movement for Social Credit, may I ask Lord Beaverbrook what the question is that he cannot answer?"

Lord Beaverbrook: "I have said that I cannot answer your question—and, moreover, I cannot understand it."

A civilian in the audience then rose and asked a question, from the Social Credit point of view, relating to the Credit Monopoly. Lord Beaverbrook replied:—

"Oh, you mean finance—international finance—are you a Green Shirt, too?"

In the course of his address Lord Beaverbrook had referred to Germany as being "Run by a gang of crooks."

During question time a Green Shirt rose and said:—

"Does not Lord Beaverbrook agree that this country is controlled by 'a gang of crooks,' that is, the Bankers' Com-

bine, who are responsible for the economic strangulation of the British people?"

Lord Beaverbrook: "Ah, he's attacking Montagu Norman!"

If Lord Beaverbrook would like to know the correct answer to the Awkward Question that has stumped him every time he has addressed a public meeting in the London area, the Green Shirts will be happy to wait upon him at any time at his convenience.

After the meeting on October 11 copies of *Attack* were sold outside the hall, the Green Shirt vendors shouting:—

"*Attack!* One penny!—All about the question Lord Beaverbrook cannot answer—*Attack!* One penny!"

F. G.

Concert Notes.

Egon Petri, Wigmore, October 12th.

The most important solo recital of the season up to date has been that of Mr. Petri, when, as usual, he gave an exhibition of transcendental technique and intellectual mastery which one can hardly imagine being surpassed.

His programme included the Busoni concert edition of the "Goldberg" Variations—in some of which the speed seemed a trifle overdone—and the amazing Busoni Fantasia Contrappuntistica, with which Mr. Petri's name has been so long and effectively associated. This music is not, and, indeed, can never be everyone's taste; further, it is doubtful whether such cold cerebralism is the highest form of music, but there can be no question whatever of the extraordinary force and mind animating it, and no one is ever likely to make it more acceptable than Mr. Petri.

The programme concluded with five of the Liszt Etudes Transcendantes—again played with prodigious power and mastery—and the enormous "Don Juan" Fantasy lightly thrown in as an encore. At the finish, however, one wondered whether such an extended exhibition of prestidigitation was really worthy of Mr. Petri's time, trouble, and talent.

Royal Philharmonic Society, Queen's, October 18th.

The seasonal series opened auspiciously with the redoubtable Sir Thomas Beecham in command, the programme comprising Elgar's ever welcome "Cockaigne" Overture—a splendidly forceful, imaginative, and well knit composition that candidates for future festival overture competitions might well take as a model—a new Beethoven Suite, consisting of incidental music to "The Tempest," the Beethoven Fourth Concerto, and a novelty, "Rossiniana," by Rossini-Respighi.

Once more Sir Thomas proved himself the perfect musician, and after a somewhat surprisingly sober reading of "Cockaigne," gave a superb performance of the Sibelius Suite as a whole is open to the charge of inequality, but the hand of a master is apparent throughout, while the charming lyricism is something for which to be especially thankful at the moment.

A particularly interesting feature is the ease with which Sibelius transmutes the conventional "storm" apparatus into something essentially and indisputably individual, and, though frankly onomatopoeic in method, it is programme music of a very high order—indeed, of all the "storms" it is an easy winner. Miss Myra Hess gave a finely felt and, on the whole, thoroughly satisfying account of the Beethoven Suite, although the slow movement might have "moved on" to better musical effect, and the orchestral part, as was certainly to be expected from last season's experience of collaboration under Sir Thomas, was a revelation. In short, the collaboration was to the last degree felicitous.

At the same time, it must be confessed that one would dearly like, at this time of day, to hear Miss Hess's unique talent in something other than the eternal Beethoven-Brahms-Schumann-Franck reshuffle.

"Rossiniana" proved to be a piquant pot-pourri composed of some charmingly characteristic material skilfully "dished-up" (as Percy Grainger has it) with full modern orchestral resource by Respighi. Sir Thomas and the or-

chestra (and everyone else) enjoyed themselves hugely, and in the final whirlwind "Tarantella" Sir Thomas displayed that phenomenal brio which no other English conductor (or any artist) ever succeeds in realising.

The orchestra throughout were good, but one feels that they have not, as yet, quite found their real form.

Iso Elinson, Wigmore, October 22nd.

Of this gentleman's playing it is difficult to write anything at all favourable.

Like so many other pianists of this genre, he possesses very considerable finger fluency, but, on the evidence of this recital, little or no genuine musical sensibility.

Mere keyboard agility, by and in itself, is, of course, not only useless, but definitely dangerous, for in the absence of any guiding musical faculty, the result is distortion of the work played, and boredom or annoyance for the sensitive listener.

Mr. Elinson produced a consistently hard, unmusical tone—especially in anything beyond mezzo-forte—grossly over-pedalled, appeared to have practically no sense of rhythmical progression, and phrased with a complete absence of nuance or colouring worthy of the name.

Thus, all music became the same: dull, devitalised, and devoid of meaning. Mr. Elinson gave the Beethoven C minor variations, the Schumann Fantasiestücke (encouraging applause between its movements—this in itself significant), some of the Moussorgsky "Tableaux d'une Exposition," which, incidentally, are extremely tedious and un-pianistic, and only tolerable in Ravel's orchestral version, and concluded with a Chopin group, of which the less said the better.

Mr. Elinson's "speciality" appears to be octaves, for whenever the opportunity presented itself—as well as when it didn't—these were played with a tone and speed utterly disproportionate to the context.

For me the crowning disappointment of the evening was Mr. Elinson's own damnably derangement of the beautiful Slavonic Dance in E minor of Dvorak, perhaps best known to musicians in Kreisler's admirable arrangement for violin.

In the first place, this music is totally unsuited to the piano, and, secondly, decked out with Mr. Elinson's absurd roulades, childish chromatics, and octaves (even here he contrived to get them in), it became a tiresome travesty.

The audience was numerous and enthusiastic—such is the "culture" of our musical (?) public.

I should add that the above comments are unprejudiced, as Mr. Elinson is quite unknown to me.

CLINTON GRAY-FISK.

The Child in the Age of Gadgets.

This book* is "partly a handbook for running children's camps, but," we are told, "differs from most camping handbooks in that it relates camping to education as a whole, of which the author advocates it should eventually become an integral part."

In Chapter V., "Post-Camping Stages," we find some indication of the author's outlook regarding social-economic problems. We read:—

"Probably the movement of Youth, which has already begun on foot and bicycle from land to land, and over every frontier, will do more to break down barriers of national exclusiveness and misunderstanding (footnote: in spite of all temporary set-backs) than any organised peace society or political party alone can possibly accomplish."

The mention of "any organised peace society" in this connection, seems to imply that war springs from "national exclusiveness" and "misunderstanding" between the various peoples, and that the breaking down of these "barriers" by young people visiting each other "from land to land," might in some way tend to eliminate war. There are, however, very good reasons for believing that such youth visits, enjoyable, healthful, and educative as they may be, can have not the slightest effect upon the all but inevitable development and outbreak of the Next World War. The on foot or on cycle, and shaking hands and talking to people of other lands, cannot help to solve a problem.

* "Tented Schools: Camping as a Technique of Education." By Dorothy Revel. (Williams and Norwood, N. Y.)

at its root, is not psychological, but economic and financial. In Chapter III., dealing with the "herd-age" (12-15 years) of childhood, the author has something to say about "hunting" and our commercial system:—

"Hunting for money is only one stage removed from hunting for food. It is beginning to be observed that the whole commercial system, based as it is on the emotion of the hunter, is on the verge of collapse for that very reason."

Actually, of course, hunting for money in our phase of civilisation is many stages removed from hunting for food. It would be very difficult to show that "the whole commercial system" is on the verge of collapse because it is based on "the emotion of the hunter."

The attempt to canalise the so-called "hunting instinct" of the child in camp activity, and to allow it to play itself out in campcraft, or to adjust it in some other way, cannot help to solve a problem that, at its root, is not psychological, but economic and financial. The author continues:—

"... Unless a way can be found to run industry effectively without employing as a main motive the personal hunting urge which underlies it to-day, the whole system together with the civilisation whose way of living has been largely dependent on it—seems in danger of collapse."

We are well acquainted with this bogey—the Personal Hunting Urge—but the root-cause of instability in "the whole system," and of civilisation as we know it, is something far less exciting. This is nowhere properly grasped by the writer of the book under review, for we read:—

"It seems probable that in the system of the future, goods will be produced primarily for use, and the profit-making urge will have to take a quite secondary place. This is going to mean that children must not be allowed to grow up into manhood and womanhood with a repressed urge to hunt unsatisfied within them. They must be given scope to hunt in the childish way during childhood." From this it would appear that Mr. Montagu Norman, for example, was not "given scope to hunt in the childish way," and that had he had this scope he would not now suffer from "a repressed urge to hunt" that keeps him busy at the Bank of England and at Basle. Well, we need not attempt to brush all that aside, because, a little later on, Miss Revel writes:—

"In the Age of Plenty which we have before us, if we can find how to distribute the plenty adequately, the hunting urge, in the form of a tendency to grab for as much money as possible, should automatically decline among adults."

We see, then, that even if we agree that the "hunting urge" is a most dangerous urge, the way in which to eliminate it in adults is "to distribute the plenty adequately," after which this urge "should automatically decline." The author thinks, however, that:—

"It will be one of the psychological problems of the near future to find adequate outlet for the hunting urge of those people who have not yet outgrown it sufficiently to relinquish the money-hunt without feeling that the whole purpose of their lives has been broken up by the removal of the opportunity to engage in it."

In the section dealing with "Economic Life" (chap. iii., page 103), we read:—

"... In the Age of Plenty which seems to be dawning upon us, a new problem is going to arise in the education of children, or rather, an old problem is going to be accentuated. Industry is now able to produce all that is wanted. When distribution is adequately organised, it seems likely that there will be more than enough for all, including the children. It will be possible for children to tap all the resources of civilisation which are available to run motor cars, and possibly aeroplanes, possess typewriters and wireless sets, spend their evenings at cinemas, etc., etc. It is questionable how much of all this clever stuff of ours is good and helpful to the child. All of it sometimes, but none of it always," replies the parent and teacher of the Age of Plenty. The question then follows, how if all of it is easily on tap, are we to limit his (the child's) opportunity of pressing a button and having, for example, several wireless sets going at

What Miss Revel has to say about the problem she outlines is very well worth reading. What, I think, she fails to some extent to realise is this: that we are in the midst of the Age of Gadgets now, and that the Age of Plenty we foresee is not an intensification of gadgets. On the contrary, the Age of Plenty is the only escape from the Age of Gadgets. Released from the dead hand of a system that imposes artificial poverty in the name of progress, Science will at once begin to simplify our lives.

For instance, in an Age of Plenty, the petrol-driven engine is certain to give place to the solar-energy-motor driven direct by sun-light. On a small scale, such a motor is already an accomplished fact. Therefore, the end of the internal combustion engine is not far ahead. What this will mean in the way of simplification need hardly be pointed out. Of course, it means more power—giant power—but less gadgets.

So also, one cannot imagine an Age of Plenty in which the present telephone-gadgets are in use. The whole telephone-system, with all its cables, instruments, and exchanges (including "dials" and automatic exchanges) is out-of-date.

Typewriters are also unthinkable in an Age of Plenty. Stamping letters of the alphabet through an inked ribbon in order to "type" a communication is incredibly primitive; in spite of the ingenuity of the modern typewriter mechanism. In principle, it is hardly an advance upon the early Chinese wood-block printing. In an Age of Plenty it certainly will not be necessary to do more than speak in order to obtain a printed record; and although this may lead to another form of gadget (a machine that will "type out" what is spoken into it already exists, I am told), it will lead, in the end, to a very simple process, to which no one will be enslaved.

As for gramophones, films, wireless, and television, we can see at once in what direction all this is moving. We are attempting to see and hear anything we may wish to see and hear without having to move from the place where we may happen to be. Science will certainly enable us to do this. But the idea that we shall do it by means of the sight-and-sound gadgets that we now use, or even by improved gadgets acting on the same principles as now, is to ignore the whole general development of physics.

The clutter of gadgets that we are now using are the clumsy forerunners of an epoch in which there will be very few, and, so far as the user is concerned, very simple processes for doing what we may want to do.

None of this that we are able to foresee takes into account any better understanding of Time than we now have; yet Dunn's "Experiment with Time" might lead us to expect some advance in this direction. A correct Time-concept would have its effect upon our idea of physical movement in space, and, therefore, upon our use of speed-gadgets in order to move (as we say, "quickly") from place to place—"from land to land"—and, perhaps, from Time to Time. And, if speed is still wanted, then, in time, we may "move" (without physical movement) with the speed of thought? One would then only go for an air-trip as now one may go off hiking with a pack-pony—for fun. I guess that, most of the time, these thought-speeders will enjoy a walk. Since there will be no need to "get there quickly," there should be plenty of time. This gift of time will, perhaps, be the greatest boon of the Age of Plenty, and that is why many people prefer to call it the Age of Leisure.

All this may seem to be so far ahead as to have little or no bearing upon those near-future problems raised in Miss Revel's book. The fact remains, however, that we could very rapidly move out of this Age of Gadgets into an Age of Plenty, in which the whole problem of child education would be approached without any of the preparation for "earning a living" which now turns out potential workers for whom there is little or no work. I have no doubt that many of the ideas put forward by Miss Revel—and by other camp-educationalists—will find full and perfectly natural expression once we have passed out of this Age of Gadgets. I believe that the "tent schools" of the Age of Plenty will spring up of their own accord. But first of all we must give our time, energy, and attention to implementing the change-over. That this is a politico-economic problem, and not a problem of child education, cannot be doubted by anyone who understands the mechanism and functioning of the present social-economic system. It is only fair to say that, unlike many educational experimenters, Miss Revel does not claim that child education (nor, indeed, adult education) is the process whereby we may "distribute the plenty adequately."

Her book is certainly a breath of fresh air let into the stuffy schoolroom. But, even so, National Dividends first and "tent schools" afterwards. J. H.

Social Credit Press Directory.

LATEST ADDITION.

Alberta Social Credit Chronicle, 500, 8th Avenue West, Calgary, Alberta, Canada. Weekly, 5 cents. (This journal appears to be the organ of Mr. William Aberhart, who is referred to in it as "founder of the Alberta Social Credit System.")

LETTERS TO THE EDITOR.

AN ANARCHIST ON SOCIAL CREDIT.

Sir,—Having read Mr. Hargrave's article, "The Schismatic Process Defined," with much interest and agreement, I am reminded of a talk with a professed Anarchist. He accepted Social Credit as a technical and scientific expression of his own faith since it aimed at the establishment of individual choice.

"The aristocrat and the anarchist are step-brothers," he declared, "both desiring to establish excellence and beauty; the former by tyranny, the latter by freedom; and you, like us, will have to come to action eventually, though in the light of Social Credit (as I understand it) you may find the destruction of property more terrifying to our oppressors than the taking of important lives." D. V.

WOMEN AND SOCIAL CREDIT.

Sir,—Mr. Kenway weeps for the great inventor driven to make his dreams come true by the dish-clout treatment. I weep with him. But dreams are useless unless they do come true—so think women. That the dish-clout treatment has been effective a planet-load of hair-raising inventions testifies. It would seem the time is ripe to test the treatment on the dream of Social Credit.

Mr. Norton's arguments are the usual dangerous ones. He would agree with the suffragette speaker who proclaimed, "There is very little difference between men and women," whereas I urge strong support for the wisdom of the rude man who shouted, "Hurray for the little difference!"

The hysterical manifestation of frustration finds its zenith in attempting to annihilate that difference and to pretend that "men and women are letting each other down."

Women fought (foolishly) for the vote in the vague hope of achieving the eggs and bacon which men should have delivered to them. For let it not be forgotten, apart from the occasional application of the dish-clout, the glory that is Britain is MEN'S, and the responsibility, and the eggs and bacon. Indubitably, the woman who fights a man is a fool, and so is the man who lets his resentment at the struggle perpetuate the frustration of his own progress. And what is he who, having achieved a plethora of material wealth, refrains from pouring it out before her and the children for whom he created it?

There is a danger in this reluctance to which men must be awakened—even by the dish-clout.

But I did plead for love, sir. Nobody loves the man who does only the measured pay in the cheap envelope. We love only those who create and give for love. Do not men also realise that not only have they conquered the universe in vain, but that the achievement is a poor lot unless it be carried home for the love of women?

Having lost our primitive and sane perceptions of wealth in a welter of "sound finance," we are in danger now of sacrificing on the same altar the fundamental values of, and social vitality contained within, sex-contrast. If men are content to forget that contrast then women must emphasise it. G. F. BING.

WOMEN AND SOCIAL CREDIT.

Opening my NEW AGE this week at the Correspondence page, as is my habit, I was delighted to find there three good letters, two of them of quite unusual interest. Mrs. Bing states that early woman, tierd of raw haddock, badgered her man into making her a frying pan. My own reading of the neolithic record is quite other. I have rashly attacked the ingenious man in question, having thus to a solitary and distant cave, with a metaphorical dish-clout pinned to his tail, where he shortly perished miserably like any other inventor, and that there was no neolithic having for very many generations thereafter.

Be that as it may, there is a much later example of highly successful badgering. Women set their minds on winning a vote. They threw up a competent leader, all minor scruples, and throwing to the winds and got it. Save for a sort of status-label they have found this vote absolutely, ridiculously useless, but what a lesson in woman's power they have taught us!

To-day, with life and freedom as their object, and not a mere useless vote, what could they not do? Let them, as Mrs. Bing so ably argues, go straight at it and that with the utmost publicity. Though chainings and jail will hardly now be called for, yet they must again come in their thousands into the streets.

This time, although the enemy be enormously stronger, and in dead earnest, the women will again be invincible, for not only have they right on their side but all the men worthy of their love will be with them.

Mr. Frith's letter is in full harmony with that of Mrs. Bing. It is a masterly, fog dispelling statement of the present position. The facts are so clearly given and the deductions therefrom so convincing that no ignoring of his conclusion is possible. This letter calls imperiously for most serious consideration by the leaders of the movement.

PHILIP T. KENWAY.

"THE RED FLAG."

Sir,—With reference to D. V.'s account, in the last issue of THE NEW AGE, of "Grievances" voiced at the meeting of the League to Abolish Poverty, may I request further information regarding the "Red Flag" song and its alleged polysyllabic verses? The song most commonly known by that name, i.e., that written by Jim Connell and intended for the tune "The White Cockade," but usually sung to the tune of "Maryland" ("Tannenbaum"), and is, indeed, fairly simple in its diction. However, there may be other songs of the same name—one has been written by Upton Sinclair—and it is possible that your contributor may be thinking of one of these. Or, indeed, he may possibly be thinking of the "Internationale," the rhyme of which to "rally" is certainly not fortunate! I. O. EVANS.

[D. V. replies: "I am not familiar with any version. Probably I was deceived by the articulation of the vocalists."—Ed.]

Forthcoming Meetings.

The Green Shirt Movement for Social Credit.

The Green Shirt Movement for Social Credit, National Headquarters, 44, Little Britain, London, E.C.1. Wednesday, November 14, 8 p.m.—A lecture by John Hargrave, the Founder and Leader of the Green Shirts.

Newcastle (Dinner).

The North-Eastern Area of the D.S.C. Movement will hold a dinner at the County Hotel, Neville Street, Newcastle-on-Tyne, on Saturday, November 3. Guest of the evening, A. L. Gilson, Esq., of Sheffield. Time, 7.15 for 7.30. Tickets, 3s 6d. Dress optional. Communications to R. P. Pearson, 32, Gowland Avenue, Newcastle-on-Tyne.

Birmingham Douglas Social Credit Group.

November 14.—Before Social Credit and After.—J. G. Milne, Esq.

Oxford.

On Friday, November 2, Major Douglas will address the New Era Club of Oxford at 8.15 p.m. As accommodation is limited, intending visitors are advised to write for tickets to the president of the club, at Oriel College, Oxford.

Glasgow (Dance).

Glasgow Douglas Social Credit Association, and Glasgow Section, Greenshirt Movement. Under the joint auspices of these organisations, a dance will be held in the Masonic Halls, 100, West Regent Street, Glasgow, on Saturday, November 3, at 7.30 p.m. It is hoped that as many as possible of the freelance crusaders known to be operating in the district will attend and make themselves known. Tickets, ladies and gents, 1s. 6d. each, from H. C. Munro, 6, Greenlodge Terrace, Glasgow, S.E.

London Social Credit Club.

Blewcoat Room, Caxton Street, S.W.1. Nov. 2, 7.45 p.m.—The Social Credit Position in Scotland, by Mr. R. M. Black, of "New Scotland." Nov. 9, 7.45 p.m.—The Meaning of Social Credit, by Mr. H. Best.

Visitors are Welcome. Friday nights, 5—11 p.m., Social Credit Library and Literature Stall.

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Editor pro tem, ARTHUR BRENTON.

Editorial Committee in process of formation.

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3. Suggestions as to what material (speeches, statistics, historical data, etc.) is best worth placing on permanent record in the Year Book section.
4. Information as to societies and organisations advocating Social Credit or other principles of financial reform. (Date of formation: objects: officers: structure: fees, etc., etc.)

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